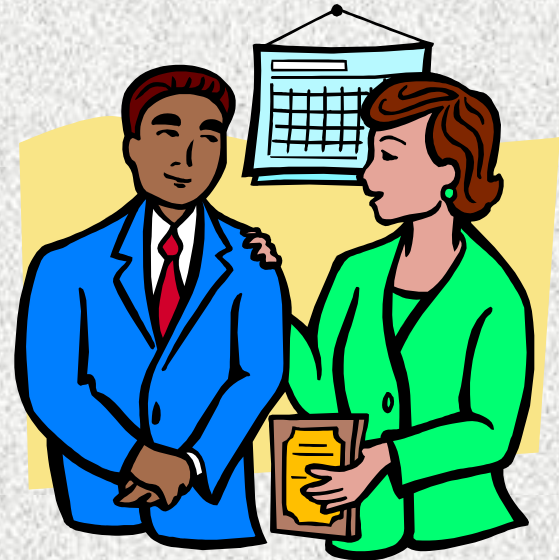
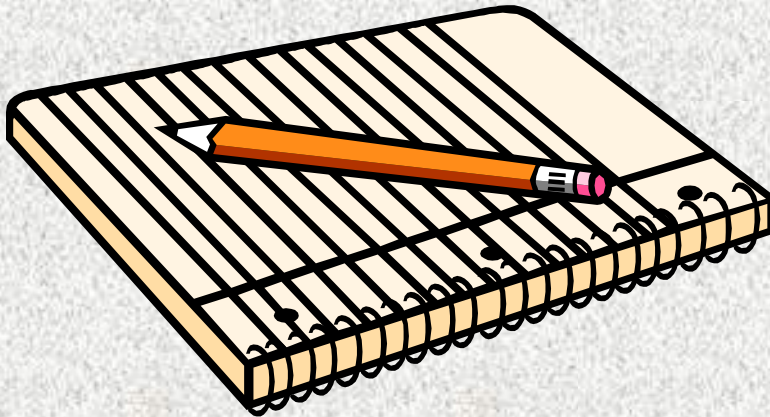


# Review of Day 2



# PERFORMANCE MANAGEMENT AND AWARDS



**TOTAL**

**ARM Y**

**PERFORMANCE**

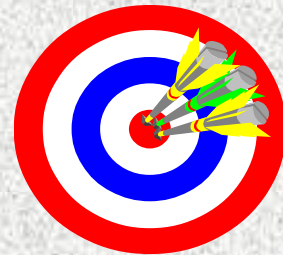
**EVALUATION**

**SYSTEM**

# PERFORMANCE SYSTEM GOALS

---

- Communicate and Clarify Organizational Goals and Priorities
- Communicate Army Values and Ethics
- Establish Expectations for Performance
- Improve Performance - Individual, Team, and Organizational





# TWO SYSTEMS

---

- Base System-WG, WL, WS/GS-08 and Below
- Senior System-WS/GM/GS-09 and Above, and Career Interns

# CYCLIC RATING PERIODS

---

- **BASE SYSTEM**

- 1 Feb-31 Jan (ATSC)
- 1 Mar-28 Feb (JRPO)
- 1 Jul-30 Jun (DEMO)
- 1 Oct-30 Sep (AID)
- 1 Jan-31 Dec (All Others)

- **SENIOR SYSTEM**

- 1 Nov-31 Oct  
(WS/GS-09 through 12)
- 1 Jul-30 Jun  
(WS/GM/GS-13 and  
above)
- EOD (Career Interns)

# TERMS

---

- **BASE SYSTEM**

- Responsibilities
- Responsibility Rating
- Counseling Checklist  
(DA Form 7223-1)

- **SENIOR SYSTEM**

- Objectives
- Objective Rating
- Support Form  
(DA Form 7222-1)

# **PROCEDURES AND REQUIREMENTS**

---

Three Parts to Performance Appraisal:

1. Planning
2. Counseling/Monitoring
3. Rating



# BASE SYSTEM

---

- **COUNSELING CHECKLIST** (DA Form 7223-1)
  - Rater writes what needs to be done.
  - Why should I counsel?
  - How should I counsel?
  - When should I counsel?

# BASE SYSTEM

---

- **COUNSELING CHECKLIST** (DA Form 7223-1)
  - Why do I use the checklist?
  - How do I use the checklist?
    - Within the first 30 days of each rating period
    - Middle of rating period
    - End of rating period

# BASE SYSTEM

---

- **EVALUATION REPORT** (DA Form 7223)
  - Part I - Administrative
  - Part II-Authentication
  - Part III-Awards Nomination
  - Part IV-Duty Description
    - a. Daily Duties And Scope
    - b. Areas Of Special Emphasis
    - c. Counseling Dates



# BASE SYSTEM

---

- **EVALUATION REPORT** (cont.)
  - Part V-Values (LDRSHIP)
    - **L**oyalty
    - **D**uty
    - **R**espect
    - **S**elfless Service
    - **H**onor
    - **I**ntegrity
    - **P**ersonal Courage



# BASE SYSTEM

---

- **EVALUATION REPORT** (cont.)
  - PART Vb-Responsibilities
    - Preprinted responsibilities
    - Examples to remind rater of types of activities being rated
    - Rater checks rating block for each responsibility

# BASE SYSTEM

---

- **EVALUATION REPORT** (cont.)
  - PART Vb-Responsibilities
    - **Excellence**-consistently exceeds level described by standards;
    - **Success**-usually performs at level described by standards;
    - **Needs Improvement**-sometimes performs at level described by standard; weaknesses slightly outweigh strengths;
    - **Fails**-frequently fails to perform at level described by standard; weaknesses clearly outweigh strengths

# BASE SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - Select responsibility to rate
  - Which tasks did Ratee perform in support of that responsibility?
  - Apply performance standards (preprinted on counseling checklist)
  - Check rating block
  - Rater writes bullet examples of what Ratee did; simple statements of what was done
  - Bullet examples optional for Success; Mandatory for other levels
  - Rater sends evaluation with counseling checklist to next level Rater



# BASE SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - PART VI-Overall Performance
    - Senior Rater reviews ratings assigned by Rater
    - If in agreement, checks appropriate overall rating and writes bullet comments in Part VII
    - If not in agreement, tries to resolve with Rater



# BASE SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - SUCCESSFUL LEVEL 1
  - SUCCESSFUL LEVEL 2
  - SUCCESSFUL LEVEL 3
  - FAIR
  - UNSUCCESSFUL

# SENIOR SYSTEM

---

- **SUPPORT FORM (DA Form 7222-1)**
  - PART I-Rater Identification
  - PART II-Rating Chain
  - PART III-Verification of Discussions
  - PART IV-Ratee
    - a. Duty title/Brief description of responsibilities
    - b. Major performance objectives

# SENIOR SYSTEM

---

- **SUPPORT FORM (cont.)**
  - Considerations for Effective Objectives
    - Critical/significant
    - Major job requirements
    - Clearly stated
    - Within Ratee's control
  - PART IVc-Significant Contributions



# SENIOR SYSTEM

---

- **SUPPORT FORM (cont.)**
  - PART V-Performance Standards
    - Preprinted on the support form
    - Describe how the objective should be done
    - Written at the “Success” level
    - Describe:
      - Quantity, Timeliness, Quality, Work Behavior



# SENIOR SYSTEM

---

- **SUPPORT FORM (cont.)**
  - Rater submits support form to Senior Rater
  - Senior Rater reviews, initials and dates for return to Rater
  - Original support form maintained by Rater

# SENIOR SYSTEM

---

- **EVALUATION REPORT (DA Form 7222)**
  - PART I-Administrative Data
  - PART II-Authentication
  - PART III-Awards Nomination

# SENIOR SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - PART IV-Duty Description
  - PART V-DA Values (**LDRSHIP**)
    - **L**oyalty
    - **D**uty
    - **R**espect
    - **S**elfless Service
    - **H**onor
    - **I**ntegrity
    - **P**ersonal Courage



# SENIOR SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - PART VI-Performance Evaluation
    - Select objective to rate
    - Apply performance standards (preprinted on support form, Part V)
    - Rate each objective and record on support form



# SENIOR SYSTEM

---

- **EVALUATION REPORT** (cont.)
  - PART Vb-Responsibilities
    - **Excellence**-consistently exceeds level described by standards;
    - **Success**-usually performs at level described by standards;
    - **Needs Improvement**-sometimes performs at level described by standard; weaknesses slightly outweigh strengths;
    - **Fails**-frequently fails to perform at level described by standard; weaknesses clearly outweigh strengths

# SENIOR SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - PART VIa-Performance during this rating period
  - Rater rates all objectives and assigns overall rating by checking appropriate block, IAW the rating formula

# SENIOR SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - SUCCESSFUL LEVEL 1
  - SUCCESSFUL LEVEL 2
  - SUCCESSFUL LEVEL 3
  - FAIR
  - UNSUCCESSFUL



# SENIOR SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - PART VIb-Rater writes bullet examples of Ratee's achievements
  - Examples are specific, observable results, statements of actual accomplishments
  - Bullets are optional for Success; Mandatory for other levels



# SENIOR SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - PART VIII-Senior Rater
    - Reviews ratings assigned by Rater
    - If in agreement, checks appropriate overall rating block and provides bullet comments in Part IX
    - If not in agreement, tries to resolve with Rater

# SENIOR SYSTEM

---

- **EVALUATION REPORT (cont.)**
  - Lastly, Rater discusses performance rating with Ratee
  - Attaches support form to evaluation report and submits to CPAC
  - Original of all forms go to Ratee

# **SPECIAL PERFORMANCE APPRAISAL**

---

- Departure of Rater
- Departure of Ratee
- Detail/Temp Promotion of 120 Days or More
- Acceptable Level of Competence
- Unacceptable Performance



# USING THE RESULTS OF PERFORMANCE APPRAISAL

---

- Probationary Periods
- Awards/Quality Step Increases
- Within-Grade Increases
- Promotion
- Training & Development
- Unacceptable Performance Based Actions
- Reduction in Force



# **BARRIERS**

---

- Workload
- Time-consuming
- Unpleasant Interaction With Employee
- Fear of Grievances or Appeals
- Negative Impact on Morale

# PERFORMANCE MANAGEMENT

---

- **IMPORTANT POINTS TO REMEMBER**

- Performance Plans And Counseling Within 30 Days Of Beginning Of Rating Period
- 120 Days Is Minimum Rating Period
- Performance Counseling At Mid-point
- Ratings Due Within 45 Days Of Completion Of Rating Period
- No Appraisal Permitted Without a Valid Performance Plan in Place
- Position Descriptions Must Be Accurate

# DEALING WITH POOR PERFORMANCE

---

## STEP 1: COUNSELING

- Call Your Human Resources Specialist (HRS) for Advice & Guidance
- Determine Within Grade Increase and Appraisal Due Dates
- Discuss Concerns With Employee in Private and Relate Deficiencies to Responsibilities/objectives
- Offer Employee Assistance Program If Personal Problem Exists



# **DEALING WITH POOR PERFORMANCE**

---

## **STEP 2: OPPORTUNITY TO IMPROVE**

- If No Improvement, Issue Performance Improvement Plan (PIP)
  - Mandatory If Failing One or More Objectives or Responsibilities
  - May Be Done During the Rating Cycle
  - HRS Will Provide Step by Step Guidance
  - Legal Review

# DEALING WITH POOR

---

## PERFORMANCE

### WHAT IS A PIP?

- Identifies Consequences of Continued Failure
  - Reassignment
  - Change to Lower Grade
  - Removal
- Actions Employee Must Accomplish
- Specify Assistance to Be Given
- Specify Calendar Dates for Completing Tasks
- If Employee Improves, Must Sustain Improvement for One Year From Beginning of PIP

# DEALING WITH POOR PERFORMANCE

---

## STEP 3: TAKING ACTION

- Basis for adverse actions
  - 5 U.S.C. 43, 5 CFR 432
    - Directed Reassignment
    - Change to Lower Grade
    - Removals
  - 5 U.S.C. 53, 5 CFR 531
    - Within Grade Increase Denial





# DEALING WITH POOR PERFORMANCE

---

## DUE PROCESS REQUIREMENTS

- Advance Written Notice (Proposal)
  - 30 Day Notice of Proposed Action
  - Specific Instances of Unacceptable

Performance

- Only Instances Which Occurred in

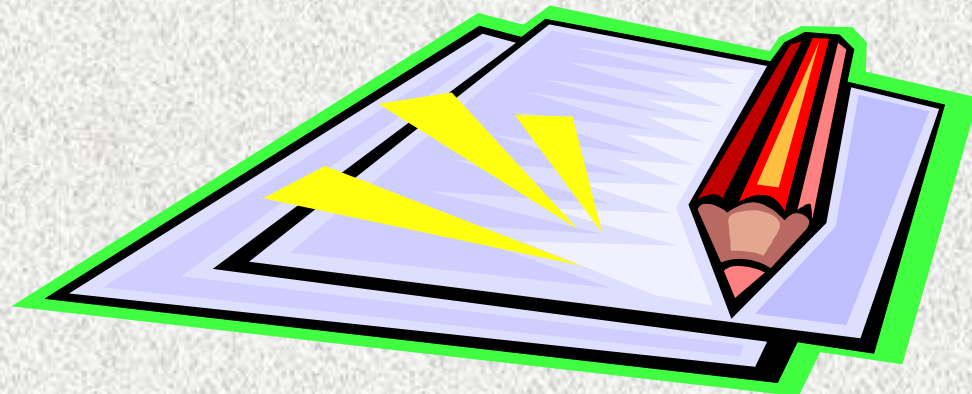
12 Months

Preceding Advance Notice

# WRITTEN DECISION

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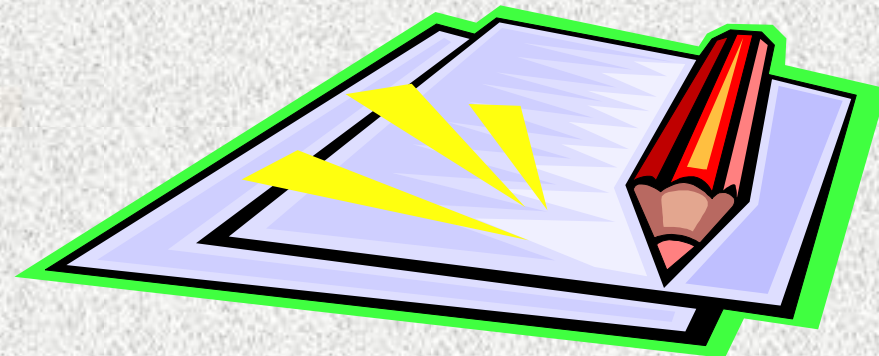
- Within 30 Days After Expiration of Notice Period
- Specify Instances of Unacceptable Performance
- Concurrence by Higher Level Official
- Must Consider Employee's Reply



# WRITTEN DECISION

---

- Consider Improvement During Notice Period
- State Effective Date
- Grievance/appeal Right, Not Both
  - Provide Copy of MSPB Appeal Rights
- Deliver at or Before Action Effective





# DEALING WITH POOR PERFORMANCE

---

**TO SUSTAIN YOUR ACTION, YOU MUST PROVE:**

- (1) The Employee Was Notified That He/she Was Required to Perform a Particular Duty;
- (2) The Employee's Performance of the Duty Was Unacceptable; And
- (3) The Employee's Performance Was Measured Accurately and Reasonably.



# **GOOD PERFORMANCE MANAGEMENT**

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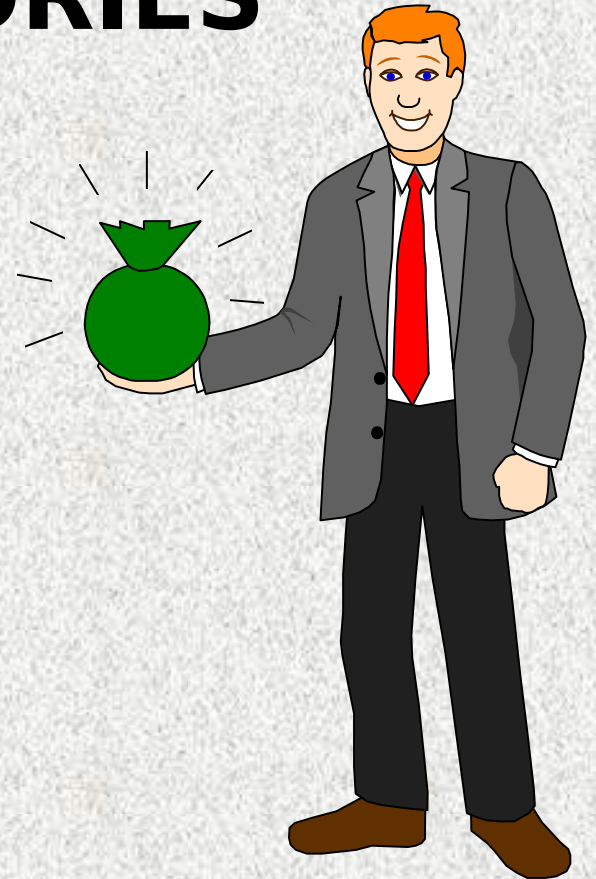
- Communication – Supervisor/employee Joint Effort
- Timely Issuance of Performance Plans
- Accurate Position Descriptions
- On-going Counseling Throughout the Year
- Documentation
- Corrective Action, If Needed
- Timely Appraisals

# THE AWARD SPECTRUM

---

## THREE CATEGORIES

- HONORARY
- MONETARY
- TIME-OFF





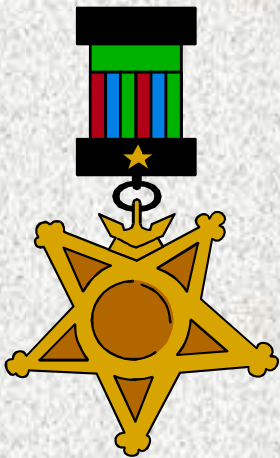
# HONORARY AWARDS

---

## 7 AWARDS FOR DA CIVILIANS

- Essentially Equivalent to DA Honorary Awards for Military
  - Equivalent Nature of Recognition
  - Equivalent Approval Level

## PUBLIC SERVICE AWARDS



- Army Employees and Contractor Employees Not Eligible
- Noncareer Government Officials and Non-Government Personnel Are Eligible

# DA HONORARY AWARDS HIERARCHY

Civilian Award	Authority	Military Award
<b>Authority</b> Decoration for Exceptional Civilian Service	SA	Distinguished Service Medal
Meritorious Civilian Service Commanders Award	MACOM Commanders	Legion of Merit
Superior Commanders Civilian Service Award	Commanders	Meritorious Service Medal
Commanders Award for Above Civilian Service	MG and Above + Civilian Equiv.	Army Commendation Medal
Achievement Command-Medal for Above	Commanders LTC and Above	Army Achievement

# **HONORARY AWARDS**

- Honorary Awards May Be Given to Separating Employees Provided the Individuals' Accomplishments Fully Meet the Criteria for the Particular Award.
- A Manager Outside the Employee's Chain of Command May Nominate the Employee for an Award.

NOTE: Nomination Must Be Coordinated With Employee's Supervisor



# **MONETARY AWARDS**

---

- **MONETARY AWARDS**
  - **ON-THE-SPOT (OTS)**
    - Currently \$50-\$500
  - **SPECIAL ACT/SERVICE AWARD**
    - Use Table of Tangible Benefits, Table of Intangible Benefits to Determine Amount
    - Up to \$10,000 Within Army
  - **RATING-BASED AWARDS (Performance Awards)**
    - Up to 10% of Salary
  - **QUALITY STEP INCREASE (Accelerated WGI)**
    - Not More Than 1 Per 52-week Period
    - Must Be Rated Success Level 1



# **AWARDS**

---

## **NO PERFORMANCE/ACHIEVEMENT AWARDS FOR THOSE:**

- Under Investigation or With Disciplinary/  
Performance-Based Action Pending.
- Had Disciplinary Action in Last 120 Days.
- Involved in “Unlawful Discrimination.”

# TIME-OFF AWARDS

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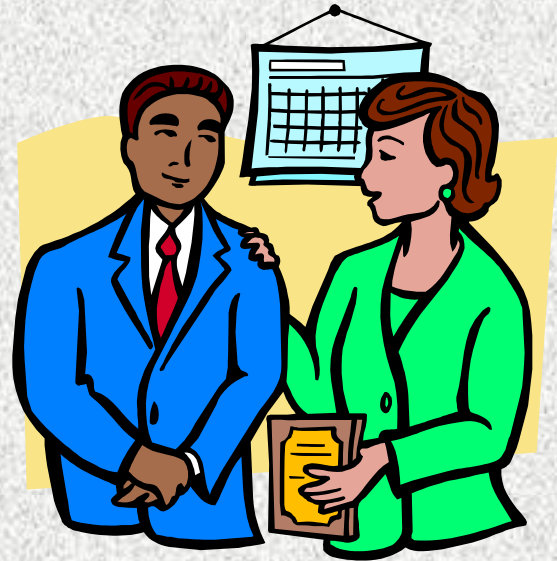
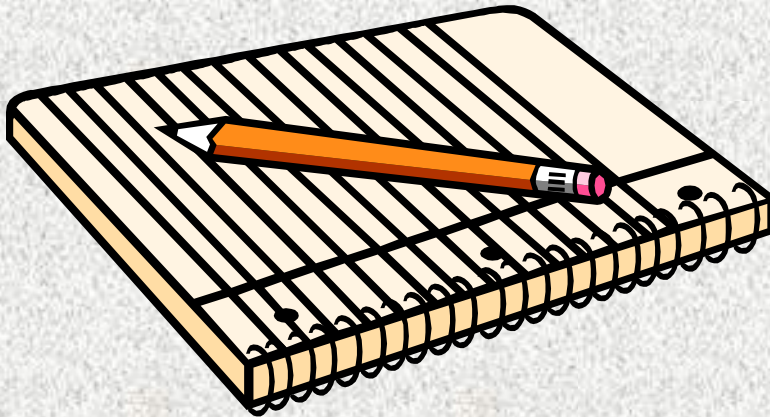
- Supervisor Can Approve Awards of 8 Hours or Less
- Justification IAW Benefits Schedule for More Than 8 Hours

- Benefits to Government Similar to SA or CTS
- Documented on SF-50
- MAXIMUM AWARD AMOUNTS
  - 40 Hours for Any Single Award
  - 80 Hours for Any 1-year Period
- LIMITATIONS
  - Must Be Used Within 1 Year
  - Cannot Be Transferred Outside of Army
  - Cannot Be Restored or Paid in Lump Sum





# QUESTIONS?



# Performance Management: Planning

# Objectives

After completion of this lesson, you will be able to:

- **Explain the key differences between the current system(s) and NSPS**
- **Describe the NSPS performance management cycle**
- **List the three performance conversations required by NSPS**
- **Define job objectives, performance indicators and contributing factors**
- **Explain the importance of maintaining records of your performance**
- **Describe the purpose of the Interim Review, closeout assessment and early annual**
- **Explain the importance of continuous feedback**
- **Identify the key players and define their roles and responsibilities in the rating and pay pool process**
- **Describe what to include in an employee's self-assessment and a supervisory assessment**
- **Explain how shares are awarded and performance payouts are determined**

**Look at the DD Form 2906 NSPS Performance Plan (handout)**



# Performance Management: Old vs. New

## Old (TAPES)

- Ratings based on performance objectives
- Many performance cycles
- Rating scale 1 (top) to 5 (bottom)
- Most employee ratings are level 1 (Army: 81% were level 1 in FY05)
- 120 day minimum rating period
- Senior rater approves ratings

## New (NSPS)

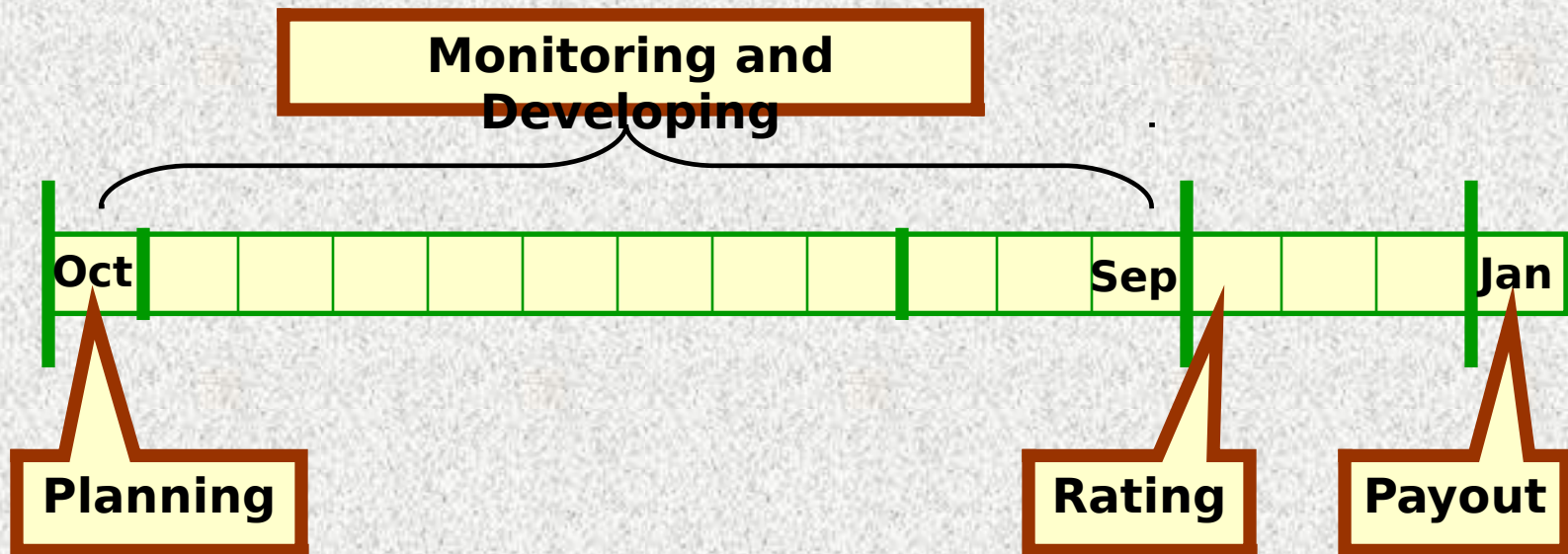
- Ratings based on **job objectives**
- **One** cycle (1 Oct – 30 Sep)
- Rating scale 5 (top) to 1 (bottom)
- Most employee ratings are anticipated to be **level 3** (valued performer)
- **90 day** minimum rating period
- **Pay Pool Manager** approves ratings

# NSPS Performance Management Goals

- Results-oriented, mission-focused
- Establish accountability for and improve individual and organizational performance
  - Improve performance by defining the mission, goals, and management processes of an organization and work unit and by defining and linking individual goals and objectives that support the work unit and organizational goals
- Clear and understandable (fair, credible, and transparent)
- Provide a direct link between pay, performance, and mission accomplishment
  - Reflect meaningful distinctions in employee performance
  - Robust (capable of supporting pay decisions)

# Timeline

## The NSPS Performance Cycle: 1 Oct-30 Sep\*



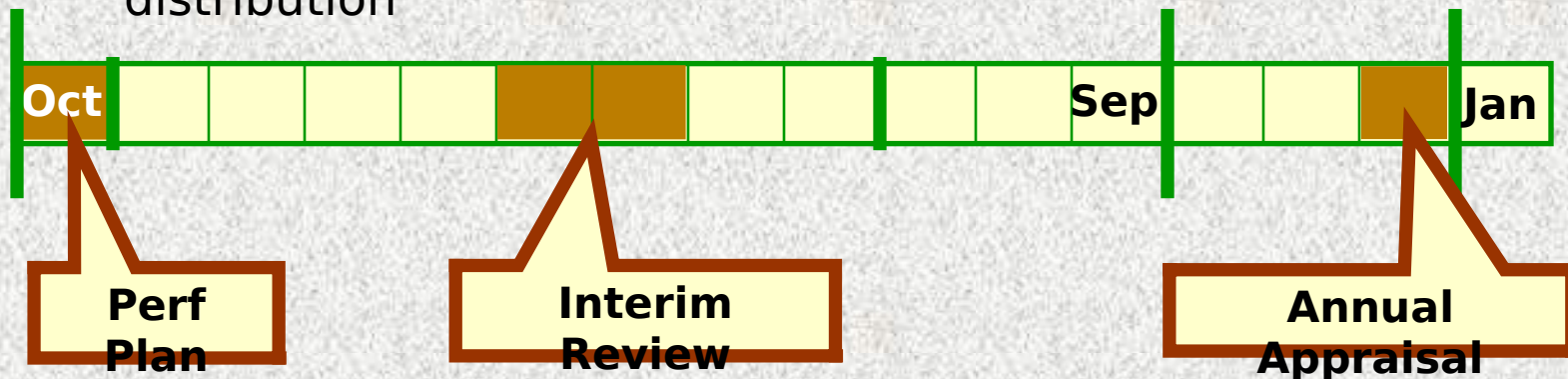
**A 12-month performance cycle**  
**A 16-month process**

(\* varies during conversion to NSPS)<sub>56</sub>



# Performance Conversations

- NSPS requires three performance conversations (documented) between the supervisor and the employee during each performance cycle:
  - Performance Plan: establish performance expectations and job objectives
  - Interim Review: check and adjust employee performance
  - Annual Appraisal: share final ratings, shares, and payout distribution

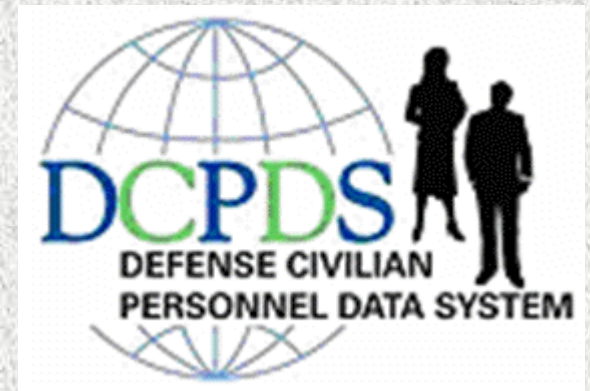


**See the NSPS Handbook (starting on page 71) for more information**

# Automated Tools Supporting NSPS

The Defense Civilian Personnel Data System (DCPDS) has tools to assist in NSPS performance management processes:

- Self-Service Hierarchy (SSH)
- My Biz, My Workplace
- Pay Pool Identifier (PPID)
- Performance Appraisal Application (PAA)
- Compensation Workbench (CWB)



**See the NSPS Handbook (starting on page 135) for more detail**

# Pay Pool Identifiers

Pay Pool ID (PP ID) is a new data element in DCPDS

- Maintained in pay pool members' records
- Used to pull data to populate the Compensation Workbench at the end of the rating cycle
  - Must be 100% accurate at that time
- Naming conventions have been established for Pay Pool IDs



# The Performance Appraisal Application (PAA)

Automated tool that:

- Provides an electronic version of the Performance Appraisal form
- Provides for input of interim and annual employee and supervisory assessments
- Documents performance discussions
- Captures the recommended rating by the supervisor and the final rating
- Stores completed appraisals
- PAA v3.0 for FY09 performance plans and appraisals
- Accessible to both employees and supervisors
  - Accessed via CPOL to *My Workplace* (supervisor / manager) or *My Biz* (employee)

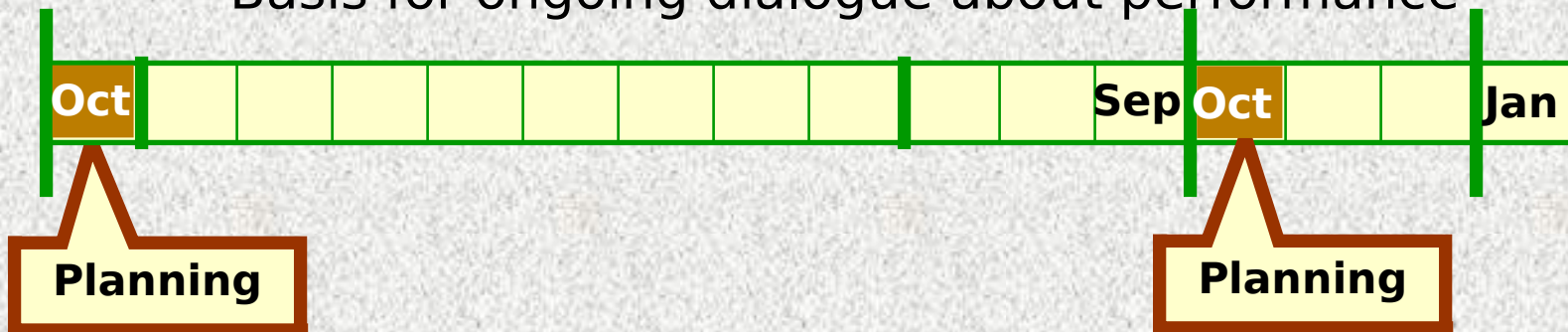
How-to guides and videos are at: <http://cpol.army.mil/library/general/nsps/>

# Compensation Workbench (CWB)

- Compensation Workbench is (currently) a spreadsheet application that is used by pay pool panels
- Used to record final ratings, shares, and payout distributions (between base pay increases and bonuses)
- Performs all necessary calculations
  - Pay pool funding levels (based on pay pool member salaries)
  - Share value per share
  - Employee payout amounts (based on shares and share value)
- Final data is used to generate pay actions in January

# Performance Planning

- Establish expectations
- Establish a written performance plan:
  - Identify and discuss objectives
  - Select contributing factors
  - Establish weighting
- The performance plan requires higher-level approval
- Identify developmental needs
- Basis for ongoing dialogue about performance





# Performance Expectations

***Performance Expectations*** are the duties, responsibilities, and competencies required by, or objectives associated with, an employee's position and the contributions and demonstrated competencies management expects of an employee

Performance expectations will be communicated to the employee prior to holding the employee accountable and will be promptly adjusted as changes occur.

# Performance Expectations, con't

Performance expectations must align with and support the DoD mission and goals and may include:

- Goals or objectives that set performance targets at the individual, team, and/or organizational level
- Standard operating procedures, manuals, internal rules and directives, etc.
- Competencies an employee is expected to demonstrate, or the contributions an employee is expected to make
- Work assignments can be used to amplify performance expectations and may specify quality, quantity, accuracy, and/or timeliness
- Conduct and/or behavior

# A Performance Management System based on Job Objectives

Job objectives are:

- A way to capture performance expectations
- The platform by which employees are rated
- A way for managers and supervisors to communicate the major work that needs to be accomplished
- Required to be aligned with (clearly tied to) organizational goals and the DoD mission
  - When communicating job objectives to employees, supervisors need to fully explain the relationship between an employee's accomplishments and achieving organizational goals



# Job Objectives = “What”

- Communicate specific individual, team, or organizational responsibilities and expected contributions with related outcomes and accomplishments
- Draw a line of sight between the employee's work, the work unit's goals, and the organization's success
- Results-oriented and mission-focused
- Appropriate for current salary and pay band
- Must be weighted
- Written in the “SMART” framework

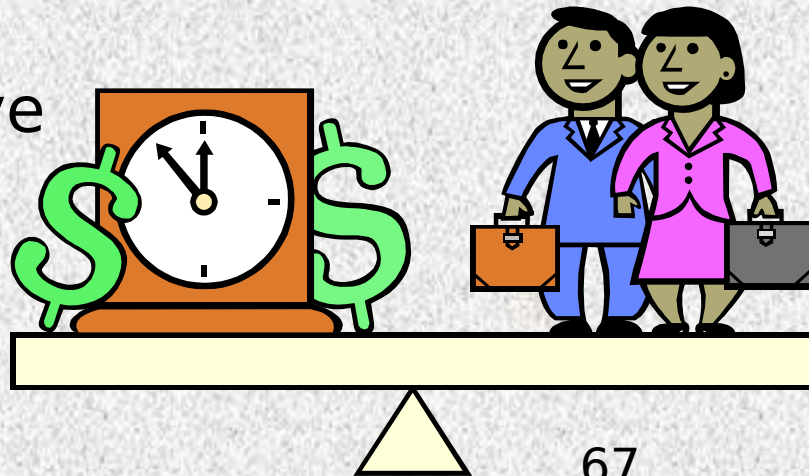
# Requirements for Job Objectives

## For managers

- At least 1
- Usually 3 to 5
- Must be weighted
- Linked to mission
- Mandatory supervisory objective

## For employees

- At least 1
- Usually 3 to 5
- Must be weighted
- Linked to mission



# SMART Objectives

## **S - Specific**

- Specific regarding the result (not the activities to achieve that result)

## **M - Measurable**

- Quantity (how many), time (how long), quality (how good), resources (how much)

## **A - Aligned**

- Aligned objectives draw a line of sight between the employee's work, the work unit's goal, and the organization's mission

## **R - Realistic and Relevant**

- Realistic: Can be accomplished with the resources, personnel, and time
- Relevant: Are important to the employee and to the organization

## **T - Timed**

- There is a point in time when the objective will start, or when it will be completed



# Supervisory Job Objective

The mandatory supervisory job objective must cover these criteria:

- Communicating performance expectations and holding employees responsible for accomplishing them
- Making meaningful distinctions among employees based on performance and contribution
- Fostering and rewarding excellent performance
- Addressing poor performance
- Ensuring that employees are assigned a rating of record when implementing issuances require
- Adhering to laws and regulations governing merit-systems principles, prohibited personnel practices, and equal employment opportunity

# Mandatory Army Supervisory Objective

Execute the full range of human resources (including performance management as outlined in DoD 1400.25-M, SC1940.5.7.4.) and fiscal responsibilities within established timelines and in accordance with applicable regulations. Adhere to merit principles. Develop a vision for the work unit; align performance expectations with organizational goals. Maintain a safe work environment and promptly address allegations of noncompliance. Ensure EEO/EO principles are adhered to throughout the organization. Ensure continuing application of, and compliance with, applicable laws, regulations and policies governing prohibited personnel practices; promptly address allegations of prohibited discrimination, harassment, and retaliation.

**This is in the NSPS Handbook (page 84)**

# Resources for Job Objectives

- Army Job Objective Writing Guide
  - In the Handbook (starting on page 81)
  - Contains hints and sample objectives
- On-line training: iSuccess
  - <http://www.cpms.osd.mil/nsps/iSuccess/>
  - Covers writing effective job objectives and self-assessments
  - Interactive format: while taking the course, you will develop actual job objectives that you can save and print

**The Army guide to writing job objectives is in the NSPS Handbook starting on page 81; sample job objectives start on page 85**



# Army Values

**Loyalty**  
**the U.S.**  
**unit/other Soldiers**

**Bear true faith and allegiance to**  
**Constitution the Army, your**

**Duty**

**Fulfill your obligations**

**Respect**

**Treat people as they should be treated**

**Selfless Service**  
**and**

**Put the welfare of the Nation, the Army,**  
**subordinates before your own**

**Honor**

**Live up to all the Army values**

**Integrity**

**Do what's right - legally and morally**

**Personal Courage**  
**or moral)**

**Face fear, danger or adversity (physical**

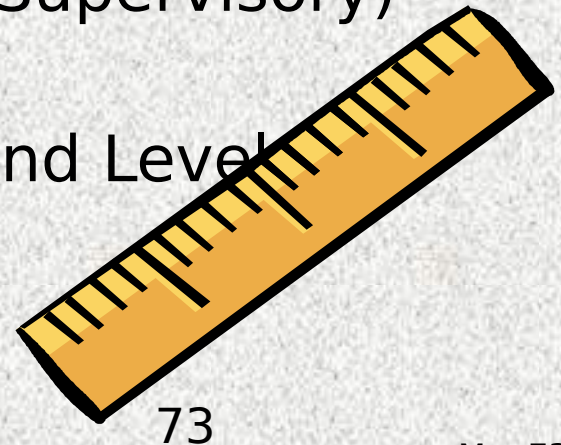
• Rating Officials will

- Discuss values / ethics with employees
- Document positive aspects of Army values on the annual performance appraisal

# Using Performance Indicators to Assess Performance

## What are Performance Indicators?

- Descriptions of levels or thresholds of employee performance.
- Applied in the rating of job objectives
- Standardized across the DoD
- Arranged by Pay Schedule (Professional / Analytical, Technician / Support, Supervisory) and Pay Band
- Benchmarks defined at Level 3 and Level 4 performance



# Performance Indicator Example

Performance Indicators Professional / Analytical Pay Schedule (non-supervisory) - Pay Band 2	
Level 3	Level 5 ( <i>Additions at this level</i> )
<ul style="list-style-type: none"> <li>Effectively achieved the stated objective, anticipating and overcoming significant obstacles. Adapts established methods and procedures when needed.</li> <li>Results were technically sound, accurate, thorough, documented, and met applicable authorities, standards, policies, procedures and guidelines.</li> <li>Planned, organized, prioritized, and scheduled own work activities to deliver the objective in a timely and effective manner, making adjustments to respond to changing situations and anticipating and overcoming difficult obstacles as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Contributed results beyond what was expected; results were far superior in quality, quantity, and/or impact to the stated objective to what would be expected at this level.</li> <li>Exhibited the highest standards of professionalism.</li> </ul>
<ul style="list-style-type: none"> <li>Demonstrated high standards of personal and professional conduct and represented the organization or work unit effectively.</li> </ul>	

**All the Performance Indicators are in the NSPS Handbook (starting on page 108**



# Rating Levels for Job Objectives

<b>5</b>	<b>Employee exceeded the assigned job objective at a level of performance equal to, or above, the Level 5 performance indicator.</b>
<b>4</b>	<b>Employee exceeded the assigned job objective at a level of performance above the Level 3 indicator, but below the Level 5 performance indicator.</b>
<b>3</b>	<b>Employee met the assigned job objective at a level of performance equal to the Level 3 indicator.</b>
<b>2</b>	<b>Employee met the assigned job objective at a level of performance below the Level 3 Performance indicator or needed guidance and assistance beyond that described in the Level 3 indicator.</b>
<b>1</b>	<b>Employee failed to achieve the assigned job objective or failed in the performance of a single assignment where such failure had a significant negative impact on accomplishment of the mission or where a single failure resulted in or could result in death, injury, breach of security, or great monetary loss.</b>
<b>NR</b>	<b>Employee did not have an opportunity to perform the job objective because it became obsolete or could not be accomplished due to extenuating circumstances. Weight of non-rated objective is re-distributed among the other objectives.</b>

# Contributing Factors = “How”

- Select up to 3 for each job objective
- Attributes of job performance that are significant to the accomplishment of individual job objectives
- Further defined by “work behaviors” and “benchmark descriptors”
- Standard across DoD
- Described at the “expected” and “enhanced” level

Technical Proficiency

Critical Thinking

Cooperation and Teamwork

Communication

Customer Focus

Resource Management

Leadership



# Contributing Factors Benchmark Example

## Cooperation and Teamwork Contributing Factor Professional and Analytical Pay Schedule - Pay Band 2

Expected	Enhanced (Additions at this level)
<ul style="list-style-type: none"> <li>• Contributes to achieving work unit goals by working collaboratively and flexibly with others and building effective partnerships across units.</li> <li>• Treats everyone fairly and professionally, respecting and valuing individual differences and diversity.</li> <li>• Shares relevant knowledge and information with others.</li> <li>• Contributes to a positive team atmosphere that fosters cooperation, trust, and group identity.</li> <li>• Handles challenging work-related disagreements or conflicts and resolves them in a positive and constructive manner; develops options to resolve disagreements or conflicts that require resolution at a higher level.</li> </ul>	<ul style="list-style-type: none"> <li>• Contributes to achieving organizational objectives by building effective partnerships across organizations.</li> <li>• Takes initiative to make extra contributions to work unit efforts; recognizes when others need assistance and provides support to advance unit goals.</li> <li>• Fosters a climate of trust by demonstrating respect for and value of individual differences and diversity.</li> <li>• Seeks out opportunities to share relevant knowledge and skills with others.</li> <li>• Develops formal knowledge sharing systems (e.g., work aids, technical papers, etc.).</li> <li>• Anticipates and strives to mitigate potential conflicts or disagreements.</li> </ul>

**All the Contributing Factor Benchmarks are in your Handbook, starting at page 1**



# Requirements for Selecting Contributing Factors

## For manager

- At least one, usually no more than three for each objective
- Intentional choice
- Tied to objective rather than employee
- “Leadership” must be selected for the supervisory job objective

## For employee

- At least one, usually no more than three for each objective
- Intentional choice
- Tied to objective rather than employee



# Effect on Rating

## Contributing factor

In the execution or accomplishment of the assigned job objective the employee demonstrated a manner of performance...

... **matching** or **exceeding** the description provided in the **Enhanced** benchmark descriptor(s).

... **matching** or **exceeding** the description provided in the **Expected** benchmark descriptor(s), but below that described by the Enhanced benchmark descriptor(s).

... **below** the description provided in the **Expected** benchmark descriptor(s).

+1

0

-1

# Contributing Factors: Special Situations

- A job objective rating of 1 cannot be adjusted
- A job objective rating of 2 cannot be adjusted down
- A job objective rating of 5 cannot be adjusted up



# Weighting Objectives

- Weighting is a way of giving more emphasis to one objective over another
- Army requires that job objectives be weighted
- Weight is established at the start of the performance cycle – when the objectives are established and contributing factors identified
- Rules
  - No objective can be weighted less than 10 percent
  - Total weight must equal 100 percent
  - Weights must be in 5-percent intervals
  - If an objective is not rated (NR), the weight of that objective must be re-distributed among the other objectives

# The Performance Plan Conversation

## **PURPOSES**

- To reach a joint understanding of performance expectations for the current (new) rating cycle
- To explain the organization's goals and to align employee objectives with these goals
- To establish timelines and measurement methods
- To identify developmental needs

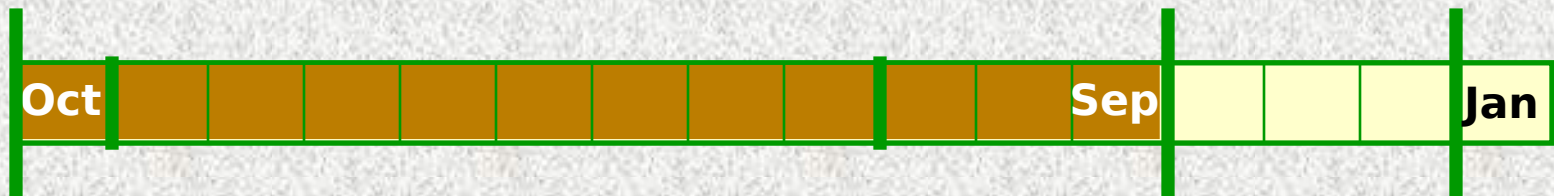
## **OUTCOMES**

- Performance plan
- Development plan
- Conversation notes, other relative documentation

**More detail on this conversation is in your Handbook, starting at page 72**

# Performing, Monitoring, Developing

- Throughout the performance cycle:
  - The employee is working toward accomplishing the established job objectives
  - The supervisor is monitoring employee performance and providing assistance, feedback, and direction as needed
  - Both employee and supervisor are taking steps toward developing the employee





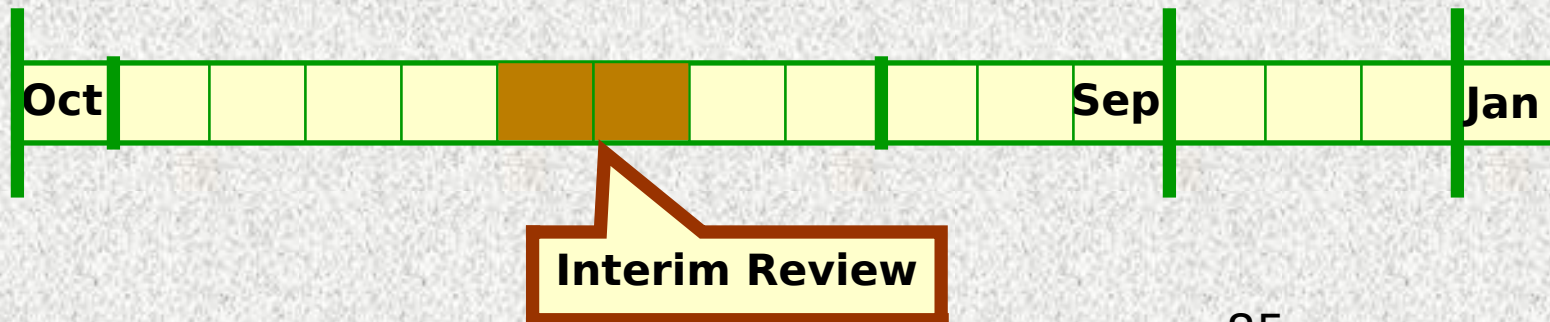
# Documenting Performance

- Employees need to complete a self-assessment at the end of the rating cycle
- To facilitate completing the self-assessment, employees are encouraged to maintain a record of their performance throughout the appraisal period
- Examples:
  - Weekly Status Report
  - Outlook's Task List
  - Notebook
- Employees should also complete a self-assessment as part of the Interim Review process – good practice

**More information on documenting performance is in the NSPS Handbook, starting at page 9**

# Interim Review

- An interim performance review is required at least once during the performance management cycle
- Check on progress towards objectives, make necessary adjustments
- Provides an opportunity for feedback so the employee has the direction to achieve the objectives
- Documented in the automated appraisal tool



# Interim Review Conversation

## Preparation

- Employees should write a self-assessment (recommended)

## Purposes

- Check progress toward achieving objectives
- Make course corrections as needed
- Provide feedback so the employee has the direction needed to achieve objectives

## Outcomes

- Documented conversation
- Adjusted performance plan (if needed)

**More detail on this conversation is in the NSPS Handbook, starting at page 75**



# Interim Review Screen

- This shows an interim review record in the Performance Appraisal Application
- Note the starting and ending dates
- The tool will allow documenting more than one interim review

Interim Reviews

Create Interim Review

Details	Start Date	End Date	Initiator	Status	Update
▼ Hide	30-Apr-2006	31-Jul-2006	Averette, Les M	APPROVED	
<div> <div> Interim Review Start Date 30-Apr-2006 </div> <div> Interim Review End Date 31-Jul-2006 </div> <div> Communicate Date 02-Aug-2006 </div> <div> Communicate Method Face to Face </div> <div> Other Communicate Method </div> </div> <div> <div> Interim Review Initiator Averette, Les M </div> <div> Interim Review Status APPROVED </div> <div> Interim Review Approved Date 06-Aug-2006 </div> <div> Employee Acknowledge ACKNOWLEDGED </div> <div> Employee Acknowledge Date 06-Aug-2006 </div> </div>					
<div> Rating Official Assessment for Interim Review <div> This is my assessment of Piedad's performance at the mid-cycle review point. </div> </div>					
<div> Employee Self-Assessment for Interim Review <div> I independently provided support to my serviced organization by handling all processing issues that were in my assigned area. I used initiative when I had to resolve five very difficult pay issues that involved numerous contacts with DFAS and FAB. When I didn't know the answer, I dug into the regs until I found what I thought was the right answer. For instance, there were several very unusual LQA </div> </div>					

# Mock Pay Pool Exercise

- Conduct of a mock pay pool exercise is strongly recommended
  - Particularly during the first performance cycle under NSPS
  - Can be done in conjunction with Interim Review
  - Will provide valuable lessons learned for application during final appraisal
  - Non-threatening (no pay implications)
- Purposes
  - Gives employees the chance to practice writing a self-assessment
  - Provides rating practice for supervisors for the final appraisal
  - Provides pay pool panels with practice in reconciling ratings from different supervisors
  - Provides everyone with practice using the automated tools
- Makes the end-of-cycle rating process much smoother

# Continuing Performance Discussions

- Recurring:
  - Revisit performance expectations
  - Check progress
- Formal or informal
- Establish the relationship and ensure framework for the discussion is in place
- Ease the process in the event difficult conversation is required



# Feedback Aims & Opportunities

## Feedback aims

- To reinforce positive behavior
- To acknowledge contributions and accomplishments
- To anticipate difficulties
- To remedy shortfalls

## Feedback opportunities

- In the moment  
*For instance ...*
  - When answering a question
  - When things go well (or not)
- On a schedule  
*For instance ...*
  - Following completion of a project or task
  - During required Performance Conversations

# Coach and Motivate Employees

- Motivate and inspire
- Align employees' core values with the mission of the organization
- Help high performers to work with and encourage low performers:
  - Provide informal mentorship
  - Ensure contribution to team
- Promote a high performing organization – most employees want to do a good job
  - How can you help make that happen?

# Adjusting a Performance Plan

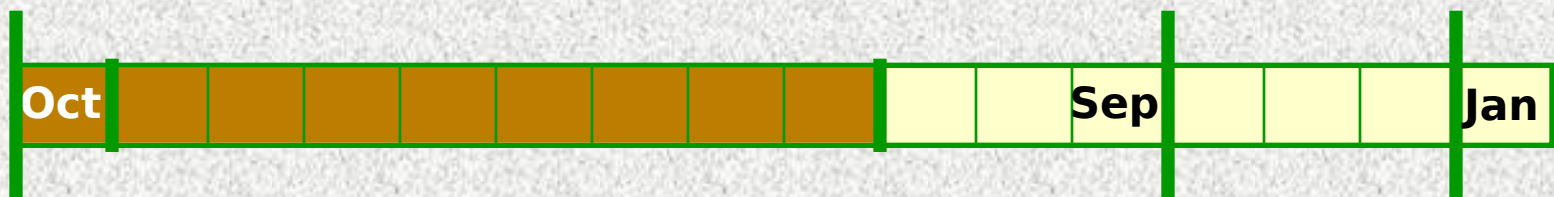
## **Guidelines for changing the performance plan**

- Performance plans may be changed during the year
- Objectives, contributing factors, and weights may be changed together or separately
- The employee should have sufficient time before the end of cycle to work towards a new performance plan
- Best practice: no changes in performance plan after mid-cycle review
- No surprises



# Closeout Assessments

- Closeout Assessment:
  - Documents an assessment for an employee who will not be rated by you at the end of the performance period
  - For employees who move from one position to another or from one supervisor to another during the appraisal period
- The supervisor's assessment is made available to the new rating official for his or her use when preparing the final appraisal
- Space is provided on the DD Form 2906 and in the Performance Appraisal Application for this
  - Also provides for transferring the automated form to another rating official



# Addressing Performance Deficiencies

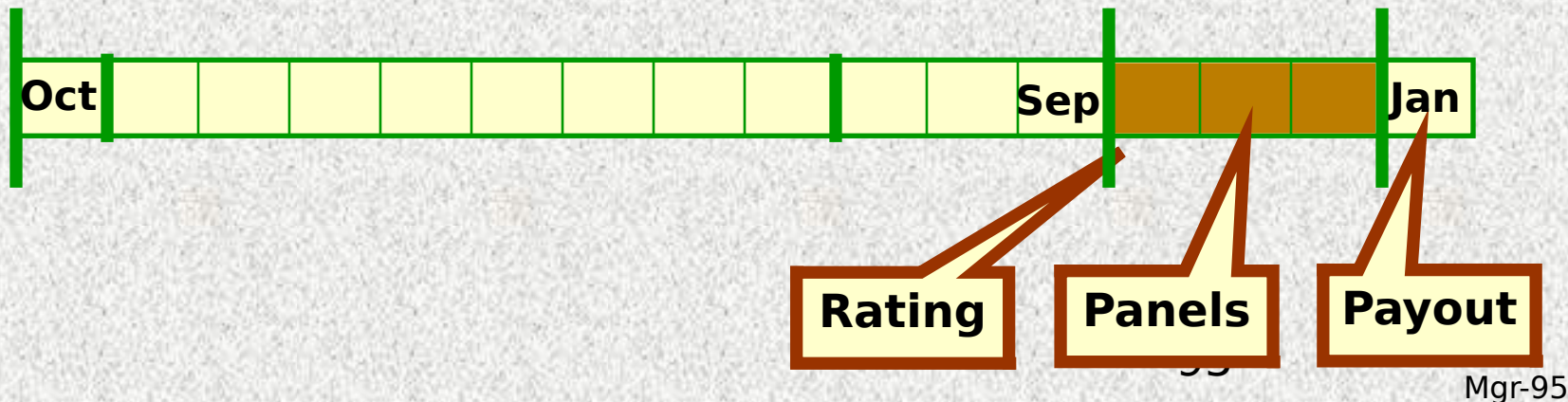
## Options



- Remedial training
- Mentoring
- Coaching
- Reassignment
- Performance Improvement Plan
- Letter of counseling
- Verbal or written warning
- Written reprimand
- Adverse action

# Rating and Rewarding

- The rating and rewarding phase occurs after the end of the rating cycle
- Employees complete their self-assessments at the end of the cycle
- Ratings are done immediately thereafter
- Pay pool panels meet (Nov-Dec)
- Once approved by the pay pool manager, final ratings are relayed to the employee during the appraisal conversation
- The payout is effective on the first full pay period in January





# General Rules

## Requirements:

- Minimum of 90 days performance (cumulative) in an appraisal period
- Rating period may be extended in limited circumstances (administrative error)

## Special Situations:

- Employees who have not completed the minimum period of performance (90 days) under an approved NSPS performance plan during the appraisal period will not receive a performance score and will not be eligible for a performance payout
- Deployed employees (uniformed) who have not served the minimum time are given their last rating of record or the pay pool modal rating (whichever is more advantageous to the employee)

**See the NSPS Handbook (page 98) for more information**

# Roles: Who's Involved?

<b>Employee</b>	<b>Keeps track of accomplishments, provides information to rating official, assists in establishing job objectives.</b>
<b>Rating Official</b>	<b>Immediate supervisor. Establishes job objectives and performance expectations, monitors performance, rates employees, recommends rating, shares, and distribution to higher level reviewer and pay pool panel.</b>
<b>Higher Level Reviewer</b>	<b>Manager above supervisor. Reviews and approves performance plans. Adds bullet comments and addresses employee potential during annual appraisal. Reviews and adjusts recommended ratings, shares, and distribution from rating official(s).</b>
<b>Pay Pool Panel</b>	<b>Comprised of managers who review and recommend final ratings, shares, and distributions ("reconciliation") to the pay pool manager.</b>
<b>Pay Pool Manager</b>	<b>Senior manager who makes final decisions on all ratings, shares, and distributions. Appoints pay pool panel members and makes certification decisions.</b>
<b>Performance Review Authority</b>	<b>Higher level official (or group), that oversees several pay pools, establishes pay pool funding levels, and looks into employee requests for reconsideration.</b>



# Rating Process

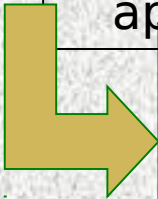
## Rating Official (supervisor) recommends:

- Performance rating
- Number of shares
- Distribution between salary increase and bonus
- After pay pool manager is done, conveys final rating, shares and distribution to employees



## Higher level reviewer:

- Reviews supervisor's recommendations, changes as appropriate



## Pay Pool Panel:


- Reconciles ratings, shares, and distribution within the pay pool; changes as appropriate



## Pay Pool Manager:

- Makes final decisions on rating of record, number of shares, and distribution

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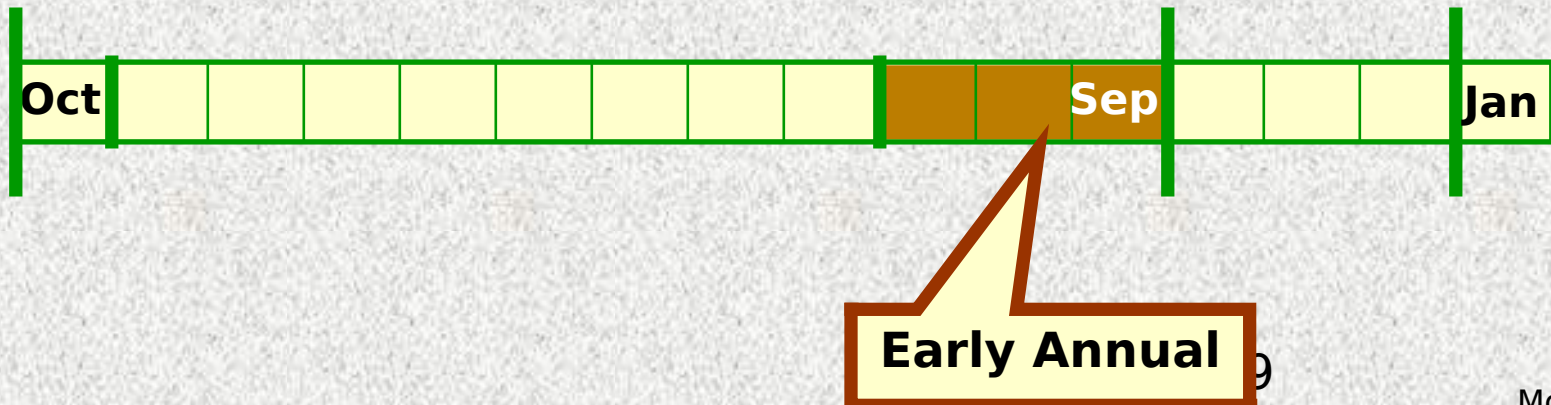


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# Early Annual Ratings

- Early Annual Rating:
  - When the supervisor leaves a supervisory position within 90 days of the end of appraisal period
  - When the employee is reassigned within NSPS within 90 days of the end of the appraisal period
- Employee participates in pay pool (and payout) if the employee remains
- Refer specific situations to your servicing CPAC



# End of Cycle Deadlines

- Panel deliberations have very short timeframes
- Deadlines must be strictly adhered to, including
  - Rating officials' appraisals of their employees
  - Higher lever reviewer functions
  - Requests from pay pool panel for additional information pertaining to specific employees



# End of Cycle Processes

<b>Event</b>	<b>Who</b>	<b>Date(s) *</b>
End of rating cycle		30 Sep
Prepare self-assessments	Employees	5 Oct
Conduct perf appr conversation, prepare supvy assessments	Rating officials	2 Nov
Higher level reviews	Higher level reviewers	9 Nov
Establish perf plans for new cycle	Rating officials	31 Oct
Sub pay pool panel meetings	Sub pool panel members	12-15 Nov
Pay pool panel meetings	Pay pool panel members	26-29 Nov
Change appraisals and ratings as required	Rating officials	3-6 Dec
Conduct annual appraisal conversation	Rating officials	10-20 Dec
Payout effective date		6 Jan

\* Example only - dates based on standard rating cycle<sup>101</sup>



# Employee Self-Assessment

- Provides an opportunity for the employee to describe their accomplishments relative to performance expectations, including job objectives and associated contributing factors, organizational mission and goals, team goals, etc.
- Input will assist the rating official in evaluating more fully the employee's performance and results of that performance
- Supervisors can talk to their employees to clarify information that the employee provides
  - Not a required conversation

# Writing the Self-Assessment

## **When writing your self-assessment:**

- Address each of your job objectives specifically and by name and number; remember, you will be rated on each objective individually
- Highlight your most significant achievements for the year, focusing on the results of your work
- Make the connection between what was done and why that should matter to the organization
- Show how your performance matches the Benchmark Descriptors for selected Contributing Factors
- Note challenges that were encountered and how they were handled

**See the NSPS Handbook (starting on page 92) for more information**



# Supervisory Assessment

- The rating official prepares an assessment for each employee
  - Describes the employee's accomplishments and contributions to the organization relative to his or her performance expectations
  - Includes an assessment of job objectives and associated contributing factors
- Input for the supervisor assessment can come from:
  - The employee's self-assessment
  - Closeout assessments from other supervisors
- Consider the employee-written accomplishments, but put them into perspective, considering the work of the entire organization, what the whole group did, who did what
  - Don't copy and paste from the employee's write-up
- Rating officials should document positive aspects of the employee's support of Army values when preparing their assessment

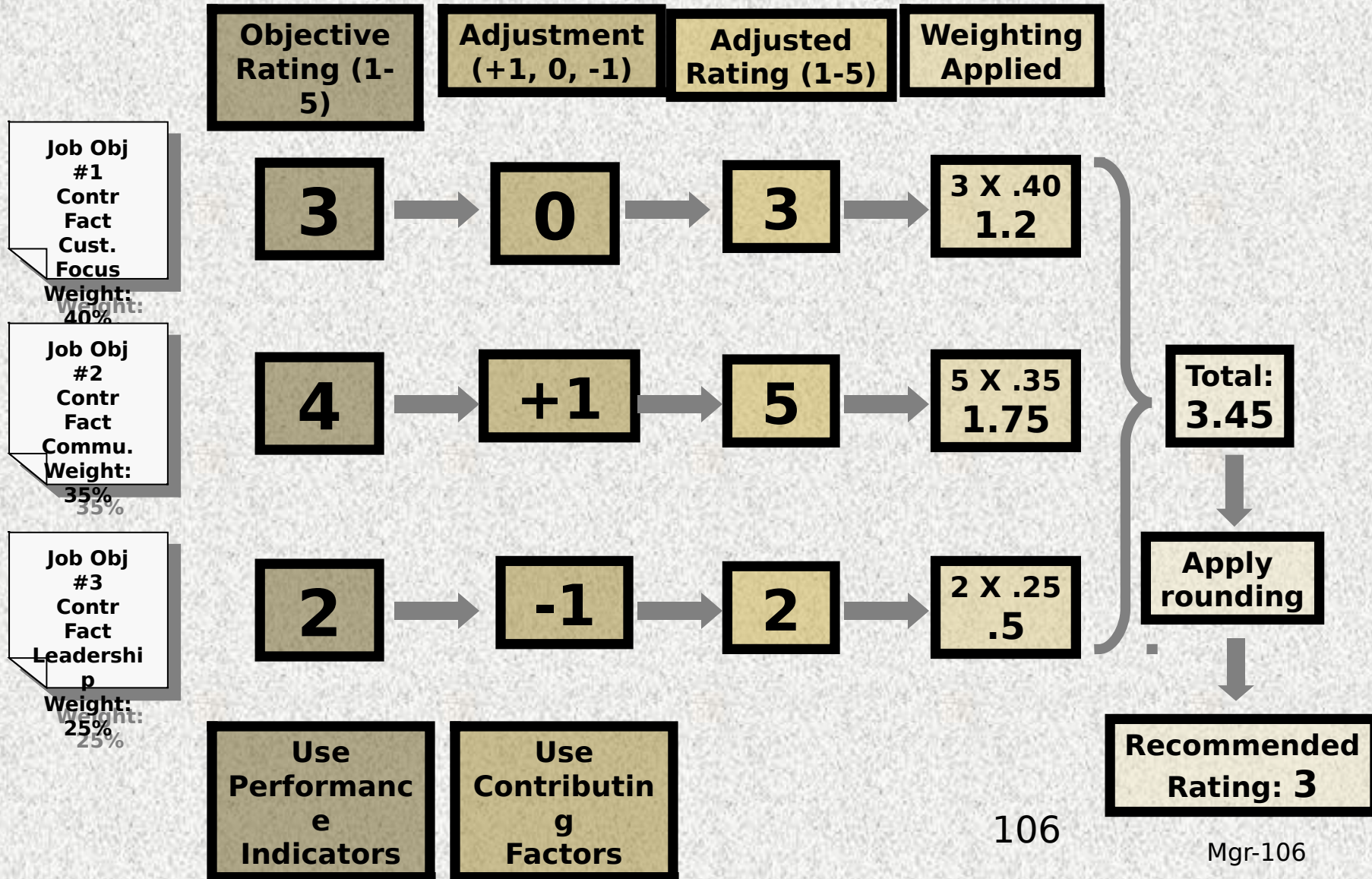


# Rating Levels

## Standard rating levels used in DoD

Rating Level	Level of Performance	Performance Description
Level 5	Role Model	Almost always meets the standards described by the Role Model benchmarks
Level 4	Exceeds Expectations	Almost always meets the standards described by the Valued Performance benchmarks and, typically, but less than almost always meets the standards described by the Role Model benchmarks
Level 3	Valued Performance	Almost always meets the standards described by the Valued Performance benchmarks
Level 2	Fair	Almost always meets the Valued Performance benchmarks, but only as a result of guidance and assistance considerably above that expected at the Valued Performance level
Level 1	Unsuccessful	Performs below Level 2, or fails a Standard Performance Factor in the performance of a single assignment where such failure has a significant negative impact on accomplishment of the mission or where a single failure to perform could result in death, injury, breach of security, or great monetary loss

# The Rating Process





# Rounding to Determining the Recommended Rating

- Weight the adjusted ratings and total them
- Round the result as shown below:

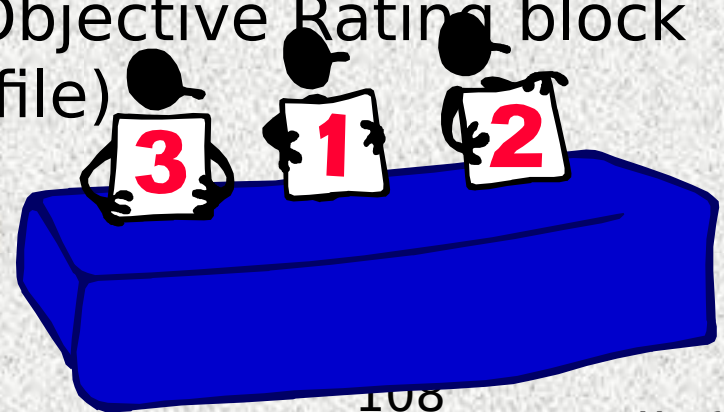
Average Rating Range	Rating of Record	Rating of Record Descriptor
4.51 to 5.00	5	Role Model
3.51 to 4.50	4	Exceeds Expectations
2.51 to 3.50	3	Valued Performer
2.00 to 2.50	2	Fair
1.00 to 2.00 1 on any objective	1	Unacceptable

- Result is the recommended rating



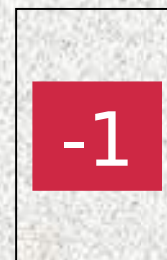
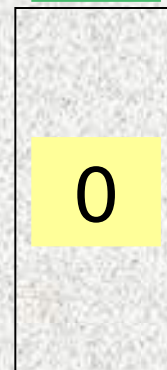
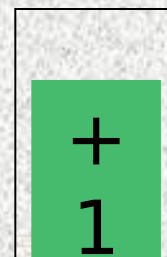
# Walkthrough Exercise: Rating a Job Objective

- Read the Employee Profile (objective 1) (Exercise book, page 20)
- Find and read the applicable Performance Indicator (Handbook, starting on page 108)
- Compare the employee and supervisor assessments for objective 1 against the Performance Indicator
- Record your rating in the Objective Rating block for Objective 1 (on the Profile)



# Walkthrough Exercise: Contributing Factors

- Identify the contributing factor for Objective 1
- Find and read the Contributing Factor benchmark (Handbook, starting on page 112)
- Compare the employee and supervisor assessments for objective 1 against the Contributing Factor benchmarks
- Does the assessment warrant an adjustment to the rating?
- Record your answer in the Contributing Factor Adj block for Objective 1 (on the Profile)
- Complete the rating for Objective 1 by entering the Adjusted Rating and the Weighted Rating (weighted rating is the adjusted rating times the weight)



# Rewarding Employee Performance

<b>Performance Rating</b>	<b>Employees are eligible to receive:</b>
<b>5</b>	<ul style="list-style-type: none"><li>• <b>Performance based pay</b></li><li>• <b>Rate range adjustments</b></li><li>• <b>Local market supplement increases</b></li></ul>
<b>4</b>	
<b>3</b>	
<b>2</b>	<ul style="list-style-type: none"><li>• <b>Rate range adjustments</b></li><li>• <b>Local market supplement increases</b></li></ul>
<b>1</b>	<ul style="list-style-type: none"><li>• <b>No increases</b></li></ul>



# Share Ranges

- Shares in the pay pool are awarded as shown in the table:

Rating Level	Share Range
5	5 or 6
4	3 or 4
3	1 or 2
2	0
1	0

- Share ranges allow further distinction between levels of contribution
- The estimated value of a share reflects a percentage of salary (the actual share value will not be known until the Pay Pool Panel completes its work)

# Performance Payout

- Performance payout may be paid as a:
  - Base salary increase
  - Bonus
  - Combination of the two
- Considerations in deciding the distribution:
  - Position in pay band
  - Motivational effect
  - Salary and work in comparison with colleagues
  - Competitive market comparisons

# Pay Pool Definition

- Group of employees who share in the distribution of a common pay-for-performance fund



- Actual pool of money that funds performance payouts





# Why Pay Pools are Important

- Ensure the application of a common understanding of rating levels, share assignments, and pay distribution decisions
- Validate decisions made at the individual level within the context of organization and mission
  - Primary means of achieving internal and external equity
- Preserve the integrity of the performance management system

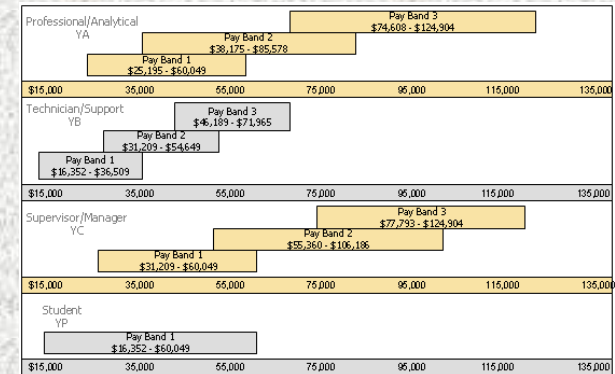
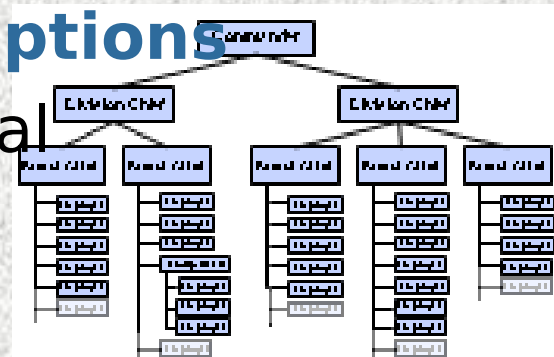
# Pay Pool Business Rules

- Many factors in the pay pool process are discretionary
  - Authority to establish pay pool business rules may be delegated to the pay pool level
- Business rules should address:
  - Structure and composition of pay pools and panels
  - Specific procedures and requirements
  - Compensation and rating philosophies
    - Shares and payout distributions
    - Compensation controls

# Pay Pool Structure

# Structuring Options

- Organizational
- Functional
- Geographic
- Supervisor/Non-supervisor
- Pay bands
- Complexity of work
- Sub pay pools





# Pay Pools: Army Guidance

- Pay pool structures may be redefined each cycle
- All pay pool officials/raters will be management officials
- Sub-pay pools may be considered when size exceeds 150
- Separate pools may be created for supervisors



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# Changing Ratings

- The pay pool panel or pay pool manager may change:
  - Recommended ratings
  - Number of shares
  - Payout distribution
- Panel notifies rating official(s) of any changes
- Rating official must change their recommended rating and/or write-up in the PAA to conform with panel decisions
- Changes must be done prior to conducting the annual appraisal meeting with employee

# Pay Pools: Communicating with Employees

- Employees will be notified during the performance year about:
  - Roles and responsibilities of employees, raters, pay pool panel members, and pay pool managers
  - Pay pool composition
  - Pay pool panel membership
  - General pay pool policies and business rules
  - The factors that may be considered in making specific share assignments
- The supervisor will communicate to the employee before the effective date of the payout the:
  - Approved rating of record
  - Share assignment
  - Payout distribution



# Pay Pool Funding Elements

**Element 1: WGLs, QSLs,**

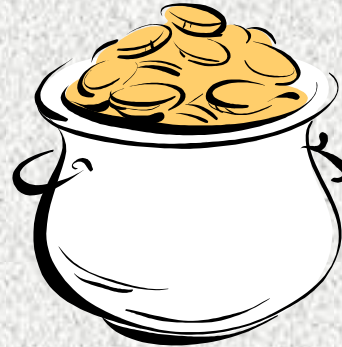
**Minimum floor or set by DOD  
For salary increases only**

**Element 2:  
Remainder of General**

**Set by S&D Base  
Less rate range adj, LMS  
Salary increases or bonuses**

**Element 3:  
Performance awards**

**Budgeted by organization  
Less OAR, EPI,  
inc awds, reserve fund  
For bonuses only**



# Value of a Share

- The value of a share depends on:
  - The total amount of available pay pool funds
  - The total number of shares awarded to employees in that pay pool
  - The base salary of employees who have been awarded a payout
- The value of a share cannot be exactly determined until the pay pool panel process is complete
- The size of an employee's payout should reflect that employee's relative contribution to the organization in comparison to other employees in the organization  
**The more shares assigned within the pay pool,  
the less the value of each share**



# Calculating Performance Payouts

An employee's performance payout is calculated by multiplying the employee's base salary at the end of the appraisal period by the share value percentage, and then by the number of shares earned by the employee:

$$\text{Employee Performance Payout} = \text{Base Salary} \times \text{Share Value per Share (\%)} \times \text{No. of Shares}$$

The total performance payout is distributed between an increase in base salary or a bonus, or a combination of the two:

$$\text{Employee Performance Payout} = \text{Salary Increase} + \text{Bonus}$$

No salary increase can cause an employee's base salary to exceed the maximum rate for the employee's pay band

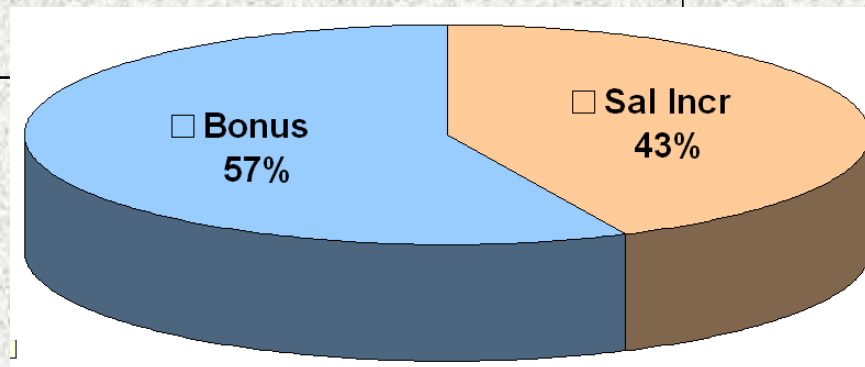
- Any excess amount will be paid as a performance bonus
- For employees who receive retained rates above the applicable pay band maximum, the entire performance payout is in the form of a bonus



# Payout Percentage Split

Calculating the percentage for salary increases vs. bonuses

Element 1 Funding	2.26%
Element 3 Funding	+ 3.00%
Total Funding	= 5.26%
Percent of pool funds for salary increases	$2.26 / 5.26 = 0.429$
Percent of pool funds for bonuses	$3.00 / 5.26 =$



# Pro-Rating of Payouts

- In Army, payouts are pro-rated based on hours worked to reflect:
  - Leave Without Pay (LWOP)
  - Part time and intermittent employment
  - Entry into an NSPS position from a non-NSPS position

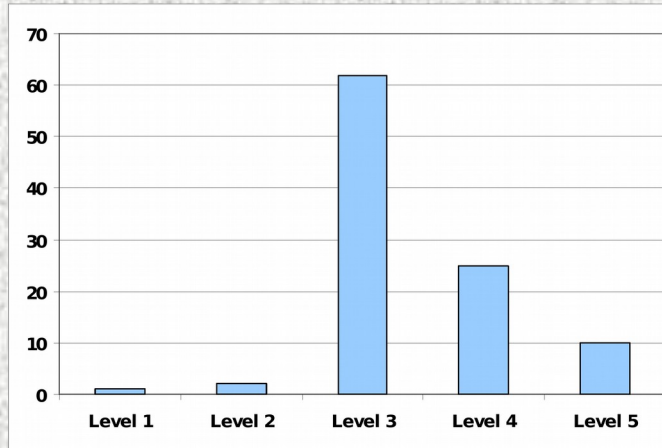
Hours Worked	Percent of Payout
1561-2087	100%
1041-1560	75%
521-1040	50%
0-520	25%

**See the NSPS Handbook (page 105) for more information**

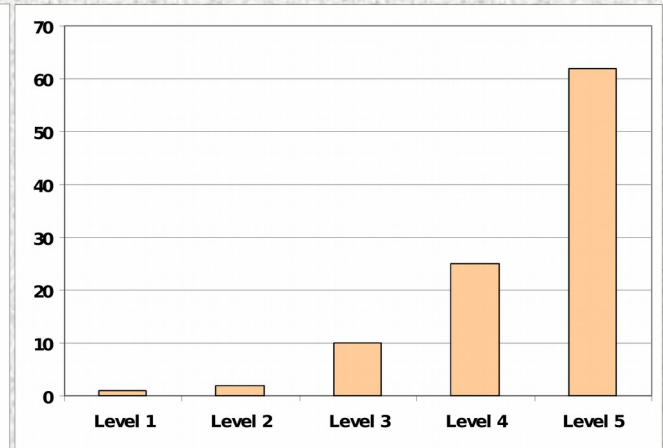
# Rating Distribution Considerations

## Modeling Examples

**Distribution A**



**Distribution B**



	Percent	Amount*	Percent	Amount*
Average payout	5.00%	\$2,500	5.00%	\$2,500
Maximum payout	16.85%	\$8,426	6.77%	\$3,386
Average payout for a level 3 rating	3.19%	\$1,596	1.69%	\$847
Average payout for a level 4 rating	7.40%	\$3,702	3.93%	\$1,964
Average payout for a level 5 rating	11.70%	\$5,851	6.21%	\$3,104

\* Amount based on base salary of \$50,000



# Pay Pool Calculations

	A	B	C	D	E	G	H	I	J
	Employees	Base Salary	Rating	Shares	Salary Share Product	Base Salary	Shares	Share Value/Share	Empl Perf Payout
1	Employee A	\$39,584	5	6	\$237,504	\$39,584	6	0.017329422	\$4,115.81
2	Employee B	\$42,356	4	4	\$169,424	\$42,356	4	0.017329422	\$2,936.02
3	Employee C	\$22,453	5	5	\$112,265	\$22,453	5	0.017329422	\$1,945.49
4	Employee D	\$73,851	3	2	\$147,702	\$73,851	2	0.017329422	\$2,559.59
5	Employee E	\$62,453	4	4	\$249,812	\$62,453	4	0.017329422	\$4,329.10
6	Total	\$240,697		21	\$916,707	\$240,697	21	0.017329422	\$15,886.00
7	Payout Factor	6.6%							
8	Pay Pool Value Payout	\$15,886.00							
9	Total Salary Share Product	\$916,707							
10	Share Value/Share	0.01732942							
11									

1. Total Base Salaries (7B)

2. Pay Pool Value = Total Base Salaries X Payout Factor (9B)

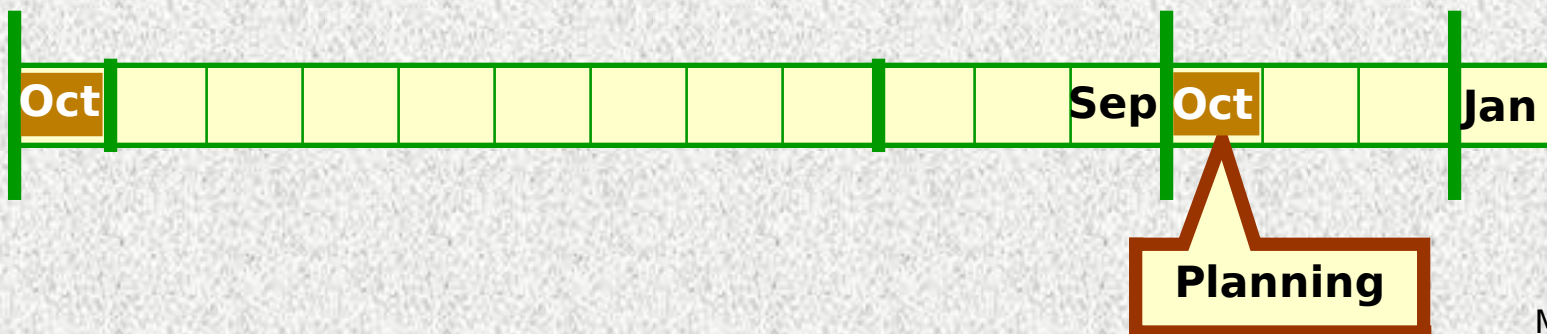
3. Salary Share Product =  $\sum$  (Base Salary X Shares) (7E)

4. Share Value per Share = Pay Pool Value / Total Salary Share Product (11B)

5. Empl Perf Payout = Base Salary X Shares X Share Value/Share (7J)  
(this does not show how the payout is distributed – bonus vs. salary increase)

# Starting Over: Setting and Communicating Performance Expectations for Next Cycle

- Purpose: Set up and communicate performance expectations and job objectives for the coming year
- Done in October when the performance cycle starts over
  - Note that the new cycle begins before the former cycle completes
- Coverage:
  - Discuss goals and expectations for the next period
  - Help your employee improve his or her performance
  - Summarize the discussion and sign documentation



# Reconsiderations

## Employees can challenge:

Their individual job objective ratings as well as their overall final rating



## Employees cannot challenge:

Performance payout  
Number of shares  
Value of shares  
Distribution of payout



# Major Changes Under NDAA 2008

## Impacting Performance Management

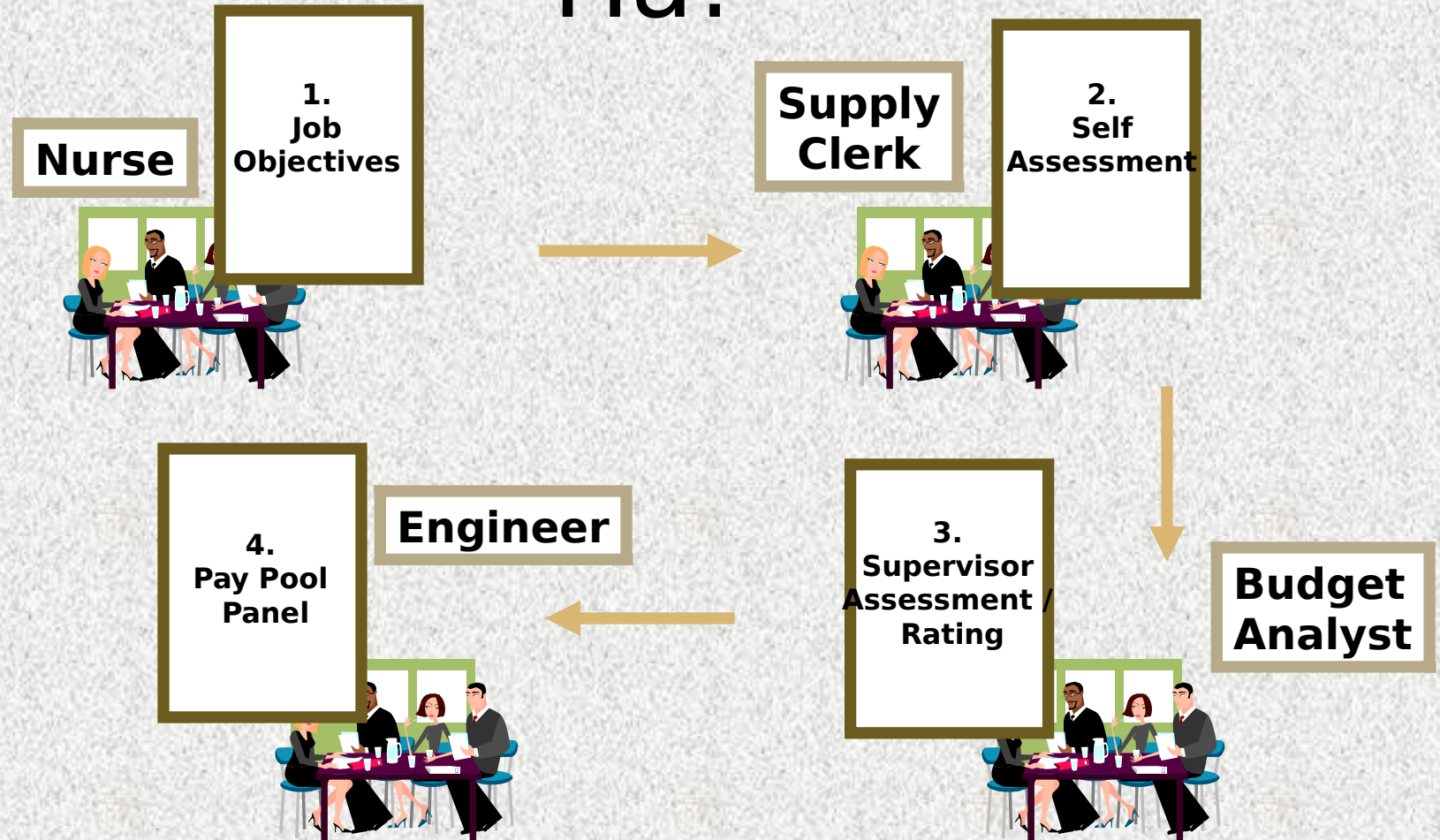
- Mandates that all employees with a performance rating above “unacceptable” or who do not have current performance ratings receive no less than sixty percent of the annual Government-wide General Schedule pay increase (with the balance allocated to pay pool funding for the purpose of increasing rates of pay on the basis of employee performance).
- Requires that all NSPS employees with a performance rating above “unacceptable” or who do not have a current performance rating receive locality pay in the same manner and extent as General Schedule employees

# Other Changes Under NDAA 2008

## Impacting Performance Management

- Employee performance reconsideration opportunities have been expanded to permit reconsideration of individual performance objective ratings in addition to the overall rating of record.
- Requires organizations to share aggregate pay pool results with NSPS employees. At a minimum, these pay pool results will include the following: Average rating, ratings distribution, share value (or average share value), and average payout (expressed as a percentage).

# Round Robin Exercise: A-Ha!





# Lesson 8 Review

- **Explain the key differences between the current system(s) and NSPS**
- **Describe the NSPS performance management cycle**
- **List the three performance conversations required by NSPS**
- **Define job objectives, performance indicators and contributing factors**
- **Explain the importance of maintaining records of your performance**
- **Describe the purpose of the Interim Review, closeout assessment and early annual**
- **Explain the importance of continuous feedback**
- **Identify the key players and define their roles and responsibilities in the rating and pay pool process**
- **Describe what to include in an employee's self-assessment and a supervisory assessment**
- **Explain how shares are awarded and performance payouts are determined**

*Thank you for your participation!*

# LABOR RELATIONS\_



# OBJECTIVES



- ✓ Identify workplace matters that have collective bargaining implications.
- ✓ Identify workplace discussions that require union coordination.
- ✓ Explain the factors involved in effective grievance management.



# REASONS FOR FEDERAL LMR POLICY

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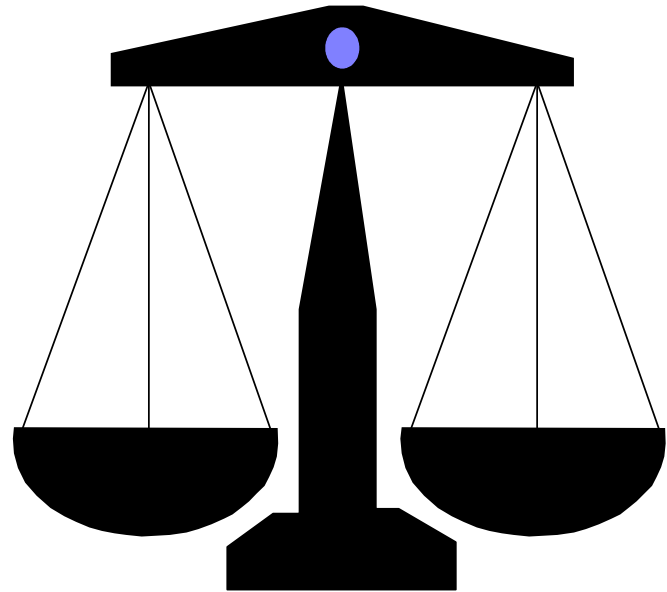
Congress finds – Provides the statutory protection of the right of employees to organize, bargain collectively and participate through Labor Organizations of their own choosing in decisions, which affect them and:

- Safeguards the public interest,
- Contributes to the effective conduct of public business
- Facilitates and encourages the amicable (friendly) settlements of disputes between employees and their employers involving conditions of employment (COE)

# LEGAL FRAMEWORK

---

- ✓ Federal Service-Labor Management Relations Statute-5 USC 71;
- ✓ Case Law - Federal Labor Relations Authority (FLRA) and Courts
- ✓ Ref. Guide: Supervisor's Guide on Labor Relations ([www.cpms.osd.mil/FAS/htm](http://www.cpms.osd.mil/FAS/htm))



# FEDERAL LABOR RELATIONS AUTHORITY (FLRA)

---

President appoints members to 5-year terms; and they

- ▯ Administer and enforce the LR Statute,
- ▯ Determine appropriate bargaining units (BUs),
- ▯ Supervise/conduct elections,
- ▯ Determine compelling need,
- ▯ Determine questions of negotiability,
- ▯ Rule on charges of Unfair Labor Practices (ULPs); and
- ▯ Rule on exceptions to Arbitrator's Award



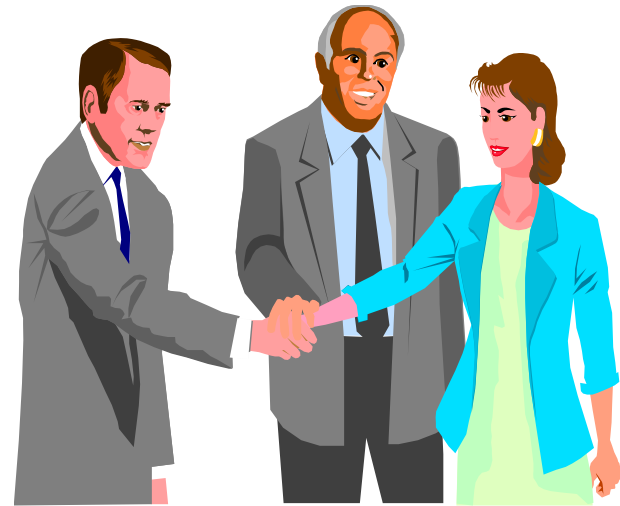


# FEDERAL MEDIATION & CONCILIATION SERVICE (FMCS)

---

**Role: “PERSUADE”---“SUGGEST”**

- Mediates negotiation disputes
- Assistance authorized by Title VII
- Mediation in private & public sectors
- No “Directive Authority”

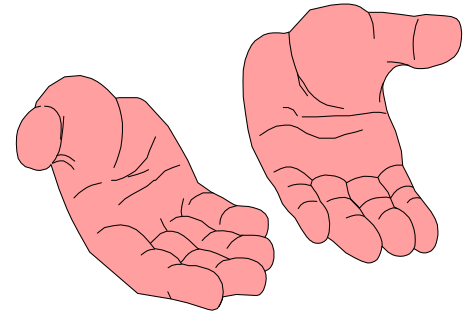


# FEDERAL SERVICES IMPASSE PANEL (FSIP)

---

Consists of seven part-time Presidential appointees. It resolves negotiation impasses by:

- Resumption of Negotiations on a Concentrated Schedule (with mediation assistance as necessary)
- Informal Conference
- Mediation-Arbitration (“Med-Arb”)
- Written Submissions
- Fact-Finding



Has the authority to recommend procedures and to take whatever action it deems necessary to resolve the impasse.

“Final Decisions----Binding”. (The decision is binding during the term of the party’s agreement unless the parties agree otherwise).

# THE OFFICE OF THE GENERAL COUNSEL (OGC)

---

The General Counsel is appointed by the President with the advice and consent of the Senate for a 5-year term.

- The General Counsel:
  - ▢ Responsible for the management of the Office of the General Counsel, including the management of the FLRA's seven regional offices.
- The Office of the General Counsel:
  - ▢ Investigates and settles or prosecutes all unfair labor practice complaints filed with the FLRA, actively encouraging the use of alternative dispute resolution at every step.
  - ▢ Reviews all appeals of a Regional Director's decision not to issue an ULP complaint.



# EMPLOYEE RIGHTS

---

- ➔ Form, join or assist a labor organization, or refrain from doing so without fear of penalty or reprisal.
- ➔ Act as a Union representative (Shop Steward, Local President, National Representative, etc).



# BARGAINING UNIT (BU)

---

Definition: A group of employees who have a common interest, and are represented by a Labor Organization in their dealings with Agency Management.

- ▮ Unions petition FLRA for exclusive rights to represent certain employees/hold elections.
- ▮ FLRA insures clear/identifiable community of interest.
- ▮ FLRA certifies BU grants exclusive rights to represent.



# BARGAINING UNIT (BU)

---

## May (Not) Include:

- ▢ Supervisors
- ▢ Management Officials
- ▢ Confidential Employees
- ▢ Professional Employees, unless a majority of professional employees vote for inclusion in the unit
- ▢ Employees engaged in Personnel work in other than a purely clerical capacity
- ▢ Investigators directly affecting an Agency's internal security
- ▢ Administering the provision of Title 5, Chapter 71
- ▢ Work that directly affects national security

## May Include:

▢ **Professionals**

▢ **Nonprofessionals; OR**

▢ **both**



# DEFINITION OF SUPERVISOR

---

A person who has the authority to take, or effectively recommend taking, any of the following actions with respect to at least one (1) employee:

<u>Hire</u>	<u>Reward</u>	<u>Layoff</u>	<u>Discipline</u>
<u>Direct</u>	<u>Transfer</u>	<u>Recall</u>	<u>Promote</u>
<u>Furlough</u>	<u>Suspend</u>	<u>Adjust Grievances</u>	

**Note: or to effectively recommend such action, if not merely routine or clerical in nature.**

# UNION RIGHTS

---

- ➔ To represent all employees in the unit.
- ➔ To negotiate with the Agency.
- ➔ To be present at certain discussions, i.e.
  - Formal discussions
  - Investigative discussions (Weingarten)

# UNION RESPONSIBILITIES

---

- Represent interests of all bargaining unit members, regardless of union membership.
- Negotiate with management in “good faith”.





# OFFICIAL TIME

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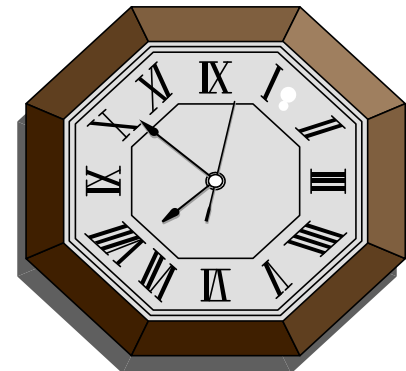
Definition: Duty time that is granted to Union Representatives to perform Union Representational functions, without charge to leave or loss of pay, when the Employee would otherwise be in a duty status. Time is considered to be hours of work.

## When permitted:

- Contract or mid-term negotiations (unlimited).
- Representing Employees who file grievances.
- Any proceeding before the FLRA, i.e. (ULPs).
- For any employee representing an Exclusive Representative or any employee represented by an Exclusive Representative in any amount the Agency and the Exclusive Representative agree to be **reasonable**, necessary, and **in the public interest**. (Ref: Labor Agreement)

## When (not) permitted:

- Soliciting membership
- Collecting Union dues
- Internal Union business



# OFFICIAL TIME (cont.)

---

**Overtime** for Official Time is not permitted because:

- Representation is for the Union and it is not for the primary benefit of the Government as an Employer.
- Time spent performing representational business outside an employee's normal workday is not considered the performance of hours of work within the meaning of 5 USC 5542 – 5544, (Fair Labor Standards Act) and 5 CFR 551.104 and 551.424.
- Exception to overtime prohibition provides overtime on official time if the

# FURNISHING INFORMATION

---

## Right to Information:

Agency is obligated to furnish to the Exclusive Representative, upon request and, to the extent not prohibited by law, data which:

- ✓ Is normally maintained by the Agency in the regular course of business;
- ✓ Is reasonably available and necessary for full and proper discussion, understanding, and negotiation of subjects within the scope of bargaining; and
- ✓ Does not constitute guidance, advice, counsel or training provided for Management Officials or Supervisors, relating to collective bargaining
- ✓ Particularized need

**Note:** Unlike Freedom of Information Act (FOIA) requests, information must be provided free of charge.

If a Management Official or Supervisor receives a request for information from the Union, contact your CPAC Specialist upon



# FORMAL DISCUSSIONS

---

A meeting between management and (1) or more employees concerning grievances, personnel policies, practices or conditions of employment when:

- ✓ Decision is reached at the meeting; **or**
- ✓ More than one (1) management official is present at the meeting; **or**
- ✓ Meeting may result in a decision on an employee's grievance (Union must be invited-Statute).



# **FORMAL DISCUSSIONS (cont.)**

---

Note: can only be one way

## Criteria:

1. First-level or higher level management
2. Length of meeting established
3. Location of meeting established
4. Scheduled vs. spontaneously
5. Written agenda
6. Mandatory attendance



# FORMAL DISCUSSIONS (cont.)

---

A meeting would usually not be classified as a formal discussion when:

- ✓ the meeting is for “personal counseling” session and does not involve matters affecting general working conditions; **or**
- ✓ the discussion is not at a level which could result in the settlement of a grievance and there is no potential impact on other bargaining unit employees.





# INVESTIGATIVE DISCUSSIONS (WEINGARTEN RIGHT)

---

- The Union must be given the opportunity to be represented at an examination of a bargaining unit employee by an Agency (DoD) representative in connection with an investigation, **if**:
- The employee reasonably believes the examination may result in disciplinary action against the employee; and
- The employee requests representation.



# INVESTIGATIVE DISCUSSIONS (WEINGARTEN RIGHT) (cont.)

---

If the employee requests a representative, a supervisor may:

1. End the meeting and not call the union representation
2. Temporarily stop the meeting long enough to obtain union representation
3. Reschedule the meeting

# MANAGEMENT'S RIGHTS

---

- To make (basic) management decisions regarding the Agency's mission, budget, organization, number of employees, and internal security practices;
- To take personnel actions to: hire, direct, lay-off, and retain employees; suspend, remove, reduction-in-grade or pay, or discipline employees;
- Assign work, make determinations with respect to contracting out, and determine the personnel by which operations will be conducted;
- Select and appoint employees from appropriate sources; and
- Take whatever actions may be necessary to carry out the Agency mission during emergencies.

**Note:** Decisions to act in these areas are Management's prerogative and the Union cannot negotiate on any of these rights.



# MANDATORY SUBJECTS OF BARGAINING

---



✓ **Conditions of employment (COE)**-personnel policies, practices, and matters whether established by rule, regulation or otherwise, affecting working conditions. **Impact** (a.k.a. Impact and Implementation)-if it deals with the job. 5 USC 7103(a)(12) & (14)

▮ **Procedures** used to exercise management's rights and arrangements that affect employees may be subject to negotiation (I&I only). 5 USC 7106(b)(2)

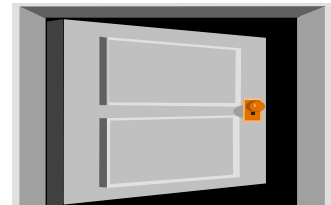
▮ **Appropriate Arrangements** for Employees adversely affected by Management's exercise of its reserved rights. (7106(b)(3))<sup>156</sup>

# PERMISSIVE SUBJECTS OF BARGAINING

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5 U.S.C. 7106 (b)(1) defines “permissive” rights that management may elect to negotiate over:

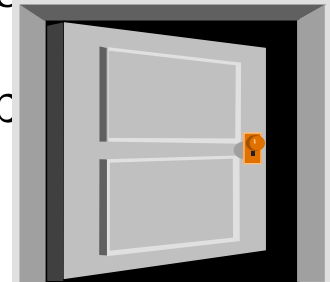
- Numbers, types, and grades of employees or positions assigned to any organizational subdivision, work project or tour of duty;
  - **Numbers of employees** is defined as the amount of employees or positions assigned to a particular subdivision, work project or tour of duty.
  - **Types of Employees** is defined as employees or positions that are assigned to perform work in a particular subdivision, work project or tour of duty.



# PERMISSIVE SUBJECTS OF BARGAINING (cont.)

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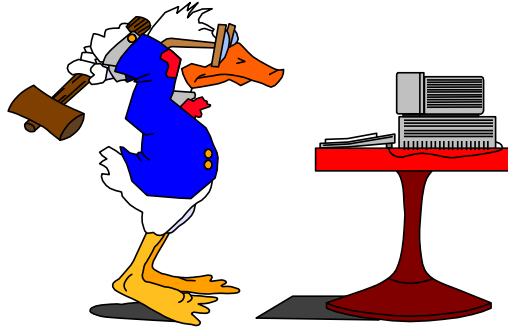
- **Grades of employees** are related to types of employees. While the FLRA has not specifically defined “grades”, it usually concerns employees or positions at already established grade levels that are assigned to perform work in a particular subdivision, work project or tour of duty. However, Unions cannot negotiate on classification of positions or organizational structure.
- **Organizational Subdivision** is defined as an organizational part of segment.
- **Tour of Duty** is defined as hours of the day of the administrative workweek an employee is regularly scheduled to work.
- **Work Project** is defined as a particular job





# PERMISSIVE SUBJECTS OF BARGAINING (cont.)

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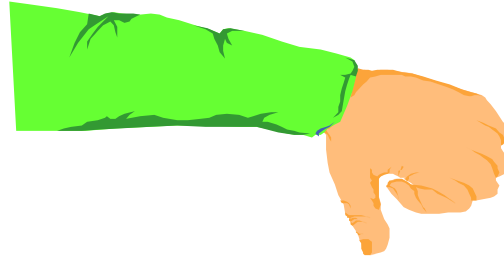


□The technology, methods, and means of performing work:

- **Technology** -the technical method used in accomplishing or furthering the performance of the Agency's work.
- **Method**-the way in which an Agency performs its work (how)
- **Means**-any instrumentality including any agent, tool, device, measure, plan or policy used by the Agency for accomplishing or furthering the performance of its work.

# PROHIBITED SUBJECTS OF BARGAINING

---



- ☞ Matters specifically covered by law. **5 USC 7117(a)(1)**
- ☐ Government wide rules and regulations. **5 USC 7117(a)**
- ☐ Agency (DOD) wide rules with a compelling need. **5 USC 7117(a)(2)**
- ☐ Management Rights. **5 USC 7106**

# CONDITIONS OF EMPLOYMENT (COE)

---

When management wants to make a change that affects conditions of employment (COE), the Union must be given reasonable advance notice of the proposed change. (Note: Check Agreement)

## Recognition of Obligation:

- ✓ Does the decision produce a change or will the decision continue to use an existing way of doing things?
- ✓ Does the change affect Bargaining Unit Employees?
- ✓ Does the change affect conditions of employment (COE)?
- ✓ Is the change significant? (De Minimus)



# CONDITIONS OF EMPLOYMENT (COE) (cont.)

---

## You must:

1. Notify Union before implementation;
2. Tell them what changes are intended and when they would become effective;
3. If Union does not respond, implement on the specified date;
4. If the Union does request negotiation, do so!

# CONDITIONS OF EMPLOYMENT (COE) (cont.)

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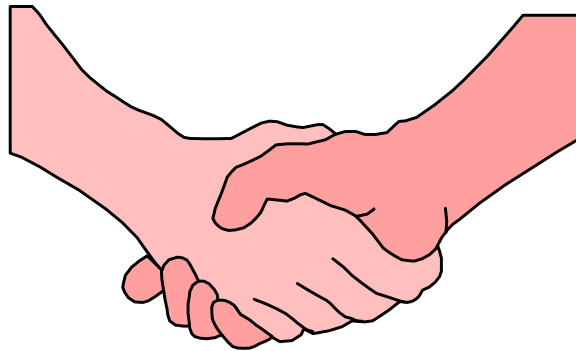
## Do not:

- Assume that there is no obligation to notify the Union because you are exercising a management right;
- Notify the Union at the last minute without giving a reasonable amount of time to consider the change;
- Implement before reaching agreement;
- Make changes without notification in hopes that the Union won't notice.

# CONTRACT ADMINISTRATION

---

- ⌋ **Employer**: has the primary responsibility for administering the contract;
- ⌋ **Union**: has primary responsibility for policing the administration.



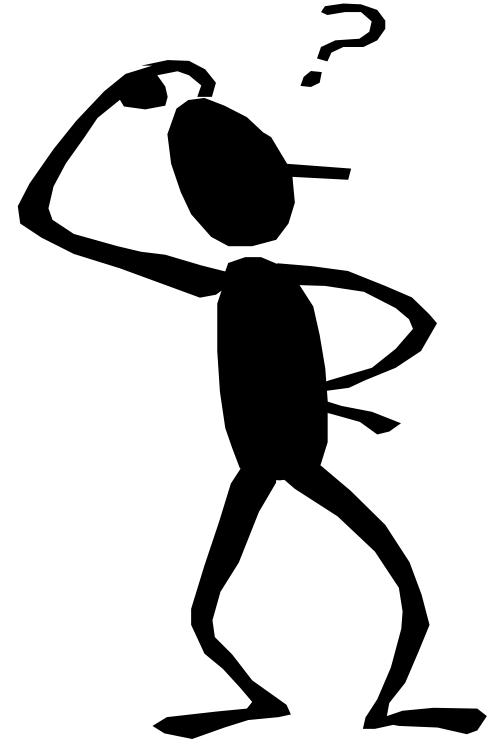


# PAST PRACTICE

---

- Concern condition of employment (COE)
- Unwritten
- Consistently Practiced
- Long Standing
- Accepted by both parties
- Not contrary to law, regulation, collective bargaining agreement

**Change in practice triggers bargaining obligation.**



# NEGOTIATED GRIEVANCE PROCEDURE (NGP)

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## **Grievance is “any” complaint:**

- By any employee concerning any matter relating to the employment of the employee;
- By any Labor Organization concerning any matter relating to the employment of the employee;
- By any employee, Labor Organization, or Agency concerning the effect of interpretation or a claim of breach of a collective bargaining agreement; or
- Any claimed violation, misinterpretation, or misapplication of any law, rule, or regulation affecting conditions of employment (COE)

# MANDATORY NGP EXCLUSIONS

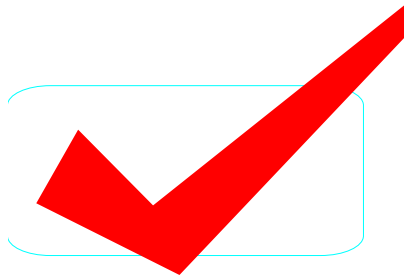
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- ✓ Any claimed violation of 5 USC 7321 (relating to prohibited political activities);
- ✓ Retirement, life insurance, or health insurance;
- ✓ A suspension or removal under 5 USC 7532 (national security);
- ✓ Any examination, certification, or appointment; or
- ✓ Classification of any position that does not result in the reduction in grade or pay of an employee.



# NEGOTIATED GRIEVANCE PROCEDURE THAT MUST BE PROVIDED

---



- ✓ Assure Union right to present and process grievances on behalf of itself or any employees;
- ✓ Assure an employee the right to present grievances on his/her behalf;
- ✓ Assure the Union the right to be present during the grievance process;
- ✓ Provide for final and binding arbitration; and
- ✓ Provide for settlement of questions of arbitrability



# NEGOTIATED GRIEVANCE PROCESSING

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- ✓ Before any meeting takes place;
  - Union must be informed;
  - Privacy must be provided.
- ✓ Tone should be established (questions only);
- ✓ No resolutions should be offered at the meeting;
- ✓ Thorough investigation should be conducted;
- ✓ A timely decision should be issued (contract);
- ✓ Things that should be avoided:
  - Little or no research;
  - Rubber stamping;
  - Personality clashes and power struggles;
  - Giving the farm away to make the grievance.

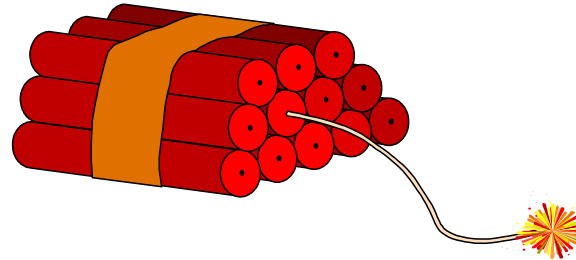
# ARBITRATION

---

- Any grievance not satisfactorily settled under the grievance procedure shall be subject to binding arbitration:
  - May be invoked by management or the union (not by the employee)
  - Binding on both parties
- Few procedural rules
- Decisions (awards) are not precedential
- Arbitrator may award compensatory damages
- Exceptions to award must be filed within 30 days
- The FLRA may modify an award
- Costs for arbitration based on CBA.

# UNFAIR LABOR PRACTICE (ULP)

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## **A ULP is:**

An alleged violation of a right protected by the Federal Service Labor Management Relations Statute (5 USC Chapter 71).

## **Who can file a ULP?**

An Employee, the Union or Management.

## **What is the relationship between a grievance and a ULP?**

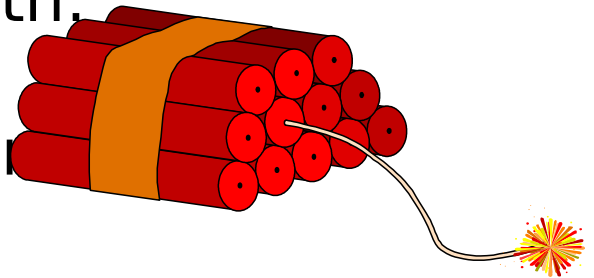
There is a very close relationship because both actions stem from disagreements that arise from the three-  
way relationship that exists among Employees, the

# UNFAIR LABOR PRACTICE (ULP) (cont.)

---

## (Management)

1. Interfere with employee rights;
2. Encourage or discourage union membership;
3. Sponsor, control, or assist a union;
4. Discriminate against employees for participation in proceedings covered by the LR Statute;
5. Failure to negotiate in good faith:
  - Unilateral change in COE
  - Contract breach (repudiation)
  - Failure to negotiate I&I
  - Refusal to furnish information
  - Bypassing the union
  - Fail to cooperate in ESIP proceedings



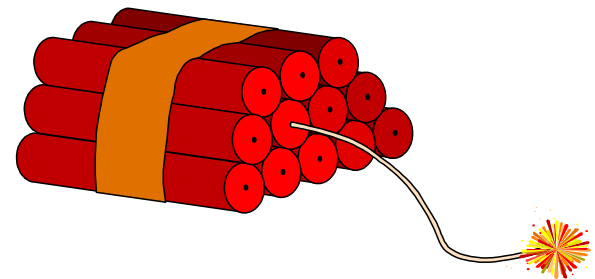


# UNFAIR LABOR PRACTICE (ULP) (cont.)

---

## (Management)

7. Enforce any regulation in conflict with a collective bargaining agreement if the agreement predates the regulation.
8. Fail to comply with any provision of the LR Statute

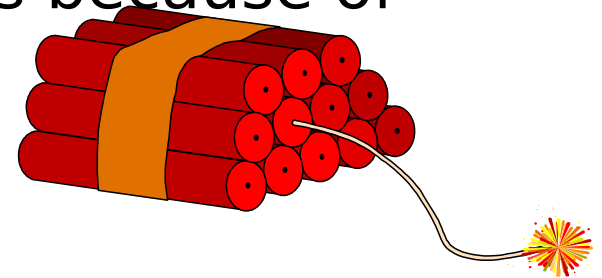


# UNFAIR LABOR PRACTICE (ULP) (cont.)

---

## (Union)

- Interfere with employees' rights;
- Cause an agency to discriminate against employees;
- Act against union members to impede performance or productivity;
- Discriminate against employees because of race, sex, religion, etc;

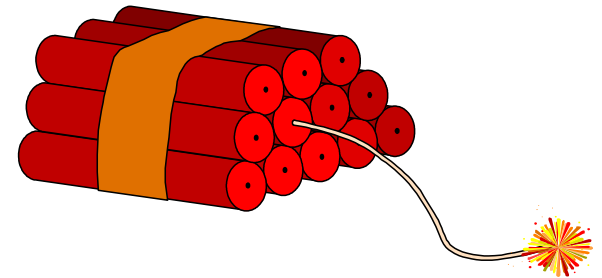


# UNFAIR LABOR PRACTICE (ULP) (cont.)

---

## (Union)

5. Fail to negotiate in good faith;
6. Fail to cooperate in FSIP Proceedings;
7. Call or participate in a strike or fail to prevent or stop a strike;
8. Fail to comply with any provision of the LR Statute.

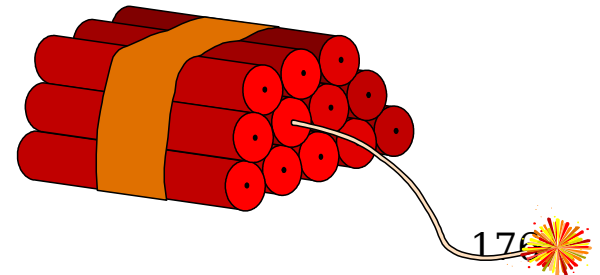


# UNFAIR LABOR PRACTICE (ULP)

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## **ULP Sequence of Events:**

1. Individual Agency or Union files charge with FLRA-within 6 months of event;
2. Opportunity for Informal Settlement (see Agreement);
3. General Counsel Investigates;
4. Hearing before Administrative Law Judge (ALJ);
5. FLRA decision issued.



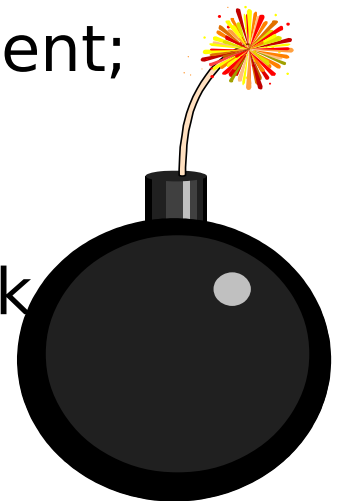


# UNFAIR LABOR PRACTICE (ULP)

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## **ULP Remedies (possible but not limited to):**

- ✓ Cease and desist;
- ✓ Post a signed notice of the cease and desist order;
- ✓ Bargain a retroactively effective agreement;
- ✓ Return to the Status Quo Ante;
- ✓ Make an employee whole (including back pay and reasonable attorney's fees, if appropriate)



# CAUSES OF LABOR/ MANAGEMENT CONFLICT

---

- Ineffective communications
- Parties are uncertain of each others right and responsibilities
- Use power base approach to resolve issues
- Expect the worse and act accordingly
- Bypassing the Union:  
unilateral/implementation of working conditions or changing conditions of employment
- Failure to bargain
- Violation of Weingarten/formal discussions
- Anti Union Animus



# EXERCISE TIME

Read each situation and decide if the answer is:

- (a) a formal discussion;
- (b) a Weingarten examination;
- (c) neither; **or**
- (d) Both

Be prepared to explain your answer.



1. A first line supervisor holds an impromptu meeting of bargaining unit employees to discuss shop safety procedures.
2. A personnelist meets with a unit employee to conduct a classification desk audit. The employee requests union representation.
3. During a staff meeting where no union representative is present, a unit employee asks a supervisor how the new procedure for assigning overtime will be implemented. The supervisor explains the new procedure.
4. A supervisor arranges a meeting with a unit employee to counsel her on her performance. She requests union representation.



5. After a grievance has been orally filed with a first-line supervisor, the supervisor meets with unit employees who have knowledge of the matter to gather information.
6. Management initiates a monthly meeting of supervisors to discuss their employees' problems.
7. While investigating the cause of an accident in the laboratory, a supervisory chemist meets with individual unit members who were present. One requests union representation; two others do not.
8. A supervisor meets with a unit employee to find out why he is late for the third time in two weeks. Midway through the meeting, the employee requests union representation.

9. After noting some processing errors, a supervisor meets with a unit employee to review the procedure for filling out purchase orders. Before they start, the employee requests union representation.
10. At a luncheon sponsored by the Federal Women's Program, the FWP coordinator will give a presentation on "The Special Problems of Women" at the activity. Attendance is voluntary and open to all employees.

# HELPFUL HINTS....

- Understand and accept union goals
- Understand that management/union goals may conflict
- Treat union officials as equals
- Bargain in good faith

Know your contract/agreement!!!

# KEY POINTS

---

- **Notify CPAC ASAP**
- **Must meet and discuss**
- **Employee entitled to have union present**
- **Try to resolve at lowest level**
- **Put decisions/agreements on paper**

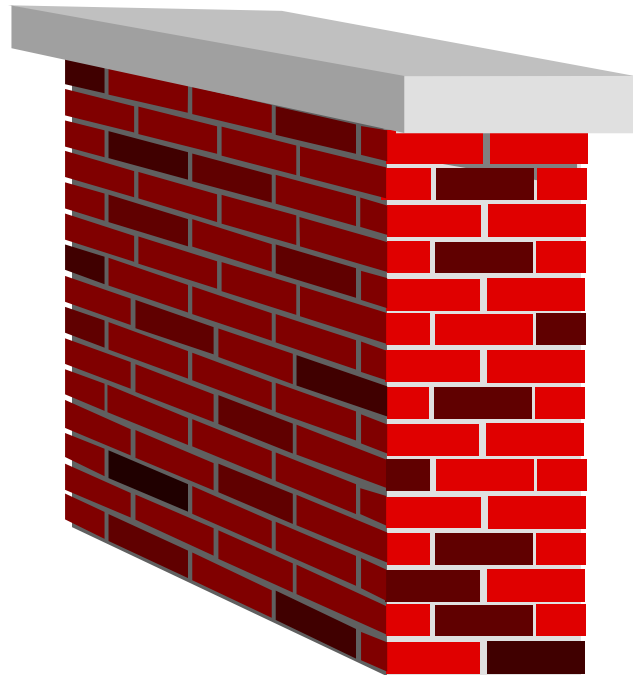
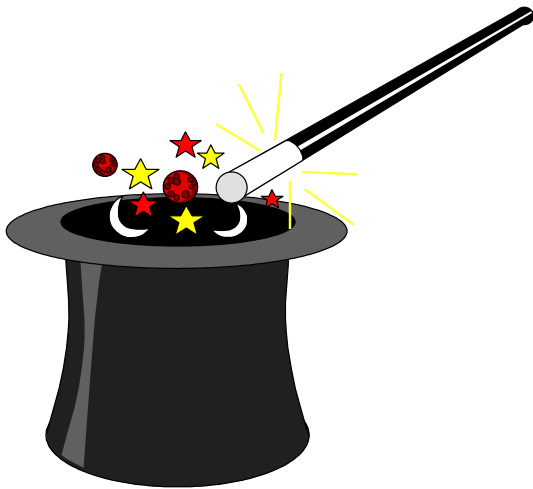




# LABOR-MANAGEMENT RELATIONS

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There is no magic for an effective  
Labor/Management Relations  
Program  
Just “HARD WORK”



# QUESTIONS?

